

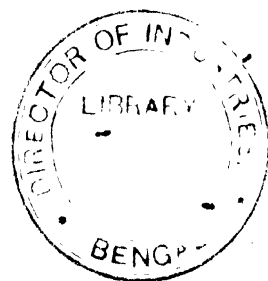
PITMAN'S BUSINESS MAN'S ENCYCLOPAEDIA AND DICTIONARY OF COMMERCE

Edited by J. A. SLATER, B.A., LL.B. (Lond.)

Of the Middle Temple & North-Eastern Circuit, Barrister-at-Law
Author of "Mercantile Law;" "Commercial Law of England," etc.

ASSISTED BY UPWARDS OF FIFTY SPECIALISTS AS CONTRIBUTORS
WITH NUMEROUS MAPS, ILLUSTRATIONS, FACSIMILE
BUSINESS FORMS AND LEGAL DOCUMENTS, DIAGRAMS, ETC.

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PITMAN'S BUSINESS MAN'S ENCYCLOPÆDIA AND DICTIONARY OF COMMERCE

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● **COQUILLA NUT.**—The fruit of a Brazil palm. The nuts are cut and polished, and being of a beautiful mottled colour, are much used in turnery and in the manufacture of buttons.

● **CORAL.**—The hard, rocky substance composed of the limy skeletons of certain sea-anemones of various colours. Coral reefs and islands are found in the East and West Indies, and in other parts of the Atlantic and Pacific Oceans. For commercial purposes, the red coral of the Mediterranean is used. It is found at a considerable depth, and is obtained by dredging. It takes a high polish, and the finer qualities command big prices, particularly as the supply is gradually decreasing.

● **CORALLIN.**—A name applied generally to a species of limy, pink seaweed, but used commercially for a red colouring substance obtained from the action of oxalic and sulphuric acids upon phenol. Yellow corallin or aurin is first produced, and this, when heated with alcoholic ammonia, results in red corallin or peonin. A solution of peonin mixed with calcined magnesia produces a durable Turkey red. Peonin is used in dyeing wool and cotton fabrics, and aurin is employed by paper-stainers.

● **CORDITE.**—A smokeless explosive, which owes its name to its cord-like form. It consists of 37 per cent. of gun-cotton and 58 per cent. of nitro-glycerine, the balance being made up of vaseline. The nitro-glycerine mixed with acetic ether is poured over the gun-cotton, which has been dried and reduced to a pulp. The vaseline is then added, and the compound is mixed until it has the consistency of jelly. It is then pressed by machinery into the cord-like form just mentioned, of different thicknesses for use in cartridges for propellant purposes, the variety in the thickness of the cord being necessary for the different purposes of the cartridges charged with the cordite. The manufacture of cordite was one of the most important industries developed by the Great War. Cordite is influenced by moisture or by temperature up to 93° C. It is chiefly manufactured in England at the Royal Gunpowder Factory at Waltham Abbey.

● **CO-RESPONDENT.**—A joint respondent in an action at law, or one who is concerned with another as defendant in a law suit.

● **CORIANDEER.**—An umbelliferous annual plant indigenous to South-East Europe and the Levant, but now cultivated in various countries, including Great Britain. Its red, aromatic seeds are used in medicine and for culinary purposes as a flavouring.

● **CORK.**—The outer bark of the *Quercus ilex*, or cork tree, a species of oak grown in Algeria and Tunis, but chiefly in Spain and Portugal. The usual life of the tree is 150 years, and, if care is taken not to injure the inner bark, the cuttings, which take place about every ten years, are actually beneficial. Longitudinal and transverse incisions are made, and the cork is removed by means of a curved knife, or by machines made for the purpose. It is then soaked in boiling water, scraped, treated with oxalic acid, dried, and superficially charred to remove any decayed parts and to conceal blemishes. Cork has a variety of uses. As it is impermeable, it is extensively employed to stopper bottles and casks, and for the same reason the inner soles of shoes are frequently manufactured from it. Net floats and lifebelts are made of it, and it is used in the construction of lifeboats. On account of its lightness, it has in recent times become a favourite material for lining men's hats. The waste, left after cutting, is ground and used for linoleum. Burnt cork is the source of Spanish black. The United Kingdom imports very large quantities of cork annually.

● **CORN.**—The term used to include cereals of all kinds, *e.g.*, wheat, maize, rye, barley, and oats, all of which are dealt with under separate headings. In England the name is frequently employed to signify wheat in particular, and in North America it is used in the same way for maize.

● **CORNEL.**—A shrub native to South Europe, and cultivated for its fruit, which is red in colour and generally about the size of a small plum. It is used in various kinds of confectionery, and in Turkey is employed to flavour sherbet. The unripe fruit is sometimes pickled. The wood of the cornel tree is hard and tough, and is in much request by turners and joiners. The tree is also known as the Cornelian cherry.

● **CORNERS.**—“To make a corner in” or “to corner” a commodity or shares means that a set of individuals have acquired all the available stock, with the result that other individuals who have entered into contracts selling stock which they do not possess, and themselves unable to fulfil their engagements, so that, in their efforts to meet their engagements, these hapless individuals have to offer fancy prices for stock. In commodities, “corners” have been attempted from time to time in copper and wheat, to mention the most conspicuous instances; and in connection with stocks

and shares it has happened from time to time that when there has been a large "bear" account in a certain stock, the bulls or another group of speculators, have formed a pool to purchase all the available stock, have paid for it, and thereby taken it off the market, with the result that they can practically dictate terms to the unfortunate "bears" (see also *KNOCKING THE MARKET*).

CORN LAWS. Under this title are known the various conditions relating to the importation of corn into England from 1800 until 1846, when the whole was repealed. In the latter named year a bill was introduced by Sir Robert Peel, by which they were to be totally repealed in 1849. From that time there have been no protective duties on grain, though in 1862 and 1893 a small revenue tax was imposed. There has been for many years a movement to look for taxing all imported grain not grown in the British Empire, thus introducing a system of *Colonial Preference* (q.v.). It is very doubtful what will be the result of the agitation. In 1917 and 1918 there were two statutes passed, Corn Production Acts, for the purpose of stimulating the growth of corn in the United Kingdom. This legislation became necessary owing to the conditions of food which were caused by Germany. As these were essentially war measures they may or may not be permanent in character.

COROMANDEL WOOD. Named from the Coromandel coast in the province of Madras. It is the wood of the *Diospyros hirsuta*, and is used by cabinet makers.

CORONER. The coroner of our Lord the King is the holder of an ancient office. A statute of the fourth year of Edward I. (1275-6) states what his duties used to be.

"He must command four, five, or six men from the next town to appear before him, to take oath, and to inquire in what manner a person was slain, or drowned, or found suddenly dead. The finding of treasure in a field, rape, wounding, wreck of the sea, hue and cry after a suspected person, must also be inquired into in the same way."

A few lines of this ancient statute are here copied, together with a free translation:-

"De the iurato inventore, debet Coronator inquire qui sunt inventores, et simul qui inde retati sunt, et hoc sic sciri potest, (si quis solito ad tubum accessit) et duntaxat sic se hinc, pro tali inspectione afficiatur, debentur pro quatuor vel per sex plegia, vel per plures, si necesse possint."

The Latin would make the great Cicero pump if he could find it, the English of it is:-

"With regard to any treasure found, the coronator must inquire who are the finders, and also who are suspected; this can be known thus, if any one has been accustomed to frequent the tavern and bathhouse so for long time, upon such a suspicion he may be attached by four, six, or more pledges (burglers), if they can catch him."

The importance of the coroner and of his office has been much lessened in modern times. The word "coroner" is derived from *corona* (Latin, crown). In ancient times coroners were described as "custodes placitum coronatorum." Keepers of the pleas of the Crown. Some ancient boroughs were allowed to have coroners by special grant from the king, and sometimes a grant was made to a lord

of a manor, giving him the right to appoint a coroner. A coroner so appointed is called a franchise coroner.

An Act to amend the law respecting the office of county coroner was passed in 1844, by which power was given to the justices in quarter sessions to assign certain country districts to coroners. Sheriffs were to hold a special county court for the election of new coroners, who were elected by the votes of the freeholders.

The duties of a modern coroner are, generally speaking, as follows:-

The Inquest. The police and others inform the coroner that a person is lying dead within his jurisdiction. It is suspected that the death is by violence, or not natural, or sudden, and cause unknown, or the person has died in prison. The coroner must then summon, by warrant, not less than twelve, nor more than twenty-three, good and lawful men to form a coroner's jury. (The number of the jury was reduced by an Act passed in 1917 to seven and eleven, and later it was provided that a coroner might hold an inquest without a jury. These alterations were made, *primâ facie*, for the duration of the war only.) The jury have to say how the person died, and to give a true verdict according to the evidence. The body must be viewed; the coroner examines all witnesses on oath. In the case of murder or manslaughter, the coroner must put into writing the statements on oath of those who know the facts.

When the jury give their verdict, they do so by an inquisition in writing; they say who the deceased was, how, when, and where he came by his death, if it was a case of murder or manslaughter, the jury must say, if they can, who was guilty, or who were accessories. In the case of a person charged with murder by the finding (inquisition) of the jury, the coroner must issue his warrant for the arrest of the accused person, and all the witnesses must be bound to appear and give evidence at the trial. Every coroner for a county must be a fit person, having sufficient freehold land to support his dignity. He may appoint a deputy. After an inquest upon a death, the coroner must send the necessary information to the registrar of deaths. A coroner may, after viewing a body, order it to be buried before the verdict is given and before the death is registered.

If a person summoned as a juror fails to attend, the coroner may fine him in a sum not exceeding £5. A witness must answer lawful questions put to him, the fine for disobedience must not exceed 40s. The coroner may summon as a witness the medical man who attended the deceased in his last illness, or one living near the place where the death happened. Such medical witness may be requested to make a *post-mortem* examination of the body, and, if necessary, an analysis of the contents of the stomach. The fee paid to a medical witness is a guinea, and if he performs a *post-mortem* examination, two guineas. The local authority may make a schedule of fees to be paid on the holding of an inquest within their district. The coroner must pay all the legal fees due immediately after the inquest; such fees will be repaid to the coroner by the local authority. Every borough coroner must make a yearly return of inquests to the Secretary of State. The coroner for the King's household is appointed by the Lord Steward. A coroner shall continue, as of old time, to have an inquest on treasure that is found (treasure trove).

A franchise coroner is any of the following: The coroner of the King's household; a coroner or deputy-coroner to the Admiralty; the coroner of the Duchy of Lancaster; a coroner appointed for a town, lordship, manor, or university, otherwise than by election of the freeholders. A coroner no longer takes pleas of the Crown, nor holds inquest on royal fish, nor on wreck, nor on any felony, except murder or manslaughter.

The coroner must make a declaration that he will well and truly serve the King and his liege people, and "for the good of the inhabitants within the said county or borough." The form of inquisition, which is what the public understand by the word "inquest," states that it is an inquisition taken for the King before the coroner and before the jurors, whose names are given. The jurors say that the deceased was found dead, or, *e.g.*, that he was thrown down and received concussion of the brain, and so died; or that he was feloniously killed, or that he died by misadventure, or that the man was killed by another in self-defence, or that the man did kill himself, being of unsound mind, or that he did feloniously kill himself.

The Municipal Corporations Act, 1882, enacted that the council of a borough, having a separate court of quarter sessions, should appoint a fit person to be the coroner for the borough. The coroner may appoint a deputy in writing. Every year, before February 1st, the borough coroner must report his inquests to the Secretary of State. In 1888 the law of coroners was further amended by the Act to amend the laws relating to local government in England and Wales. A coroner for the county is no longer elected by the freeholders of the county, but by the county council, who shall elect a fit person to fill the office. A county coroner must not be a county alderman or county councillor.

The City of London Fire Inquests Act, 1888, gives the coroner for the City of London power to hold a coroner's inquest upon any fire occurring in the Middlesex portion of the City of London. The inquest can only be held if the following, or any of them, agree to it: The Lord Mayor, the Lord Chief Justice, a Secretary of State, or the coroner. The Commissioner of Police, or the chief officer of the Metropolitan Fire Brigade must report city fires to the coroner. An inquest on a city fire takes the same form as any other inquest. The coroner will inquire what means existed for preventing the fire, or whether the fire was wilfully caused. After the inquest, the coroner must send a written report to the Lord Mayor and to the Home Secretary.

In 1892 a further slight alteration was made in coroner's law. Every coroner, whether of a county or a borough, shall appoint a fit person as deputy. The deputy must be approved by the chairman of the council or by the mayor. The deputy may act for the coroner during his illness or lawful absence. In the case of a borough deputy, he can only act under the certificate of a justice of the peace. For the purposes of an inquest, a deputy-coroner has the same rights and powers as a coroner.

CORONER'S JURY.—(See JURY.)

• **CORQZO.**—A South American palm, cultivated for its nuts, often called "vegetable ivory nuts," as they contain a milky liquid which, when condensed, acquires a hardness almost equal to that of ivory. This substance is much used for the manufacture of small articles, such as studs, buttons, etc.

CORPORATION DUTY.—This is a duty of 5 per cent. per annum, imposed under the Revenue Act, 1885, upon the annual value of the property of corporate bodies or of bodies which, although unincorporated, are similar in many respects to those which are corporate. As a corporation is a body which has a perpetual existence, its property can never become liable to pay death duties, and this corporation duty is taken from it instead.

CORPORATIONS.—A corporation is an artificial person created by the law and endowed by it with the capacity of perpetual succession. It consists of collective bodies of men or of single individuals; the first are called corporations aggregate, the second corporations sole. The existence of a corporation is constantly maintained by the succession of new individuals in the places of those who die or are removed.

A corporation is considered as a distinct individual from the persons composing it. It is not the members who compose it, but the property of the corporation which is liable for its debts. The members may, however, be compelled to contribute to its assets.

It is the creation of an Act of Parliament, or of a charter of incorporation granted by the Crown. In addition to its peculiarity of perpetual succession, it possesses a distinctive name and a common seal.

In every Act of Parliament the term "person" includes any corporation, unless there is a declaration to the contrary.

The capacity of a corporation to contract is subject to certain limitations. (See CONTRACT.)

CORROSIVE SUBLIMATE.—A powerful corrosive poison, technically known as mercuric chloride, or bichloride of mercury. It is much used in surgery as an antiseptic. Its chemical symbol is HgCl₂.

CORRUPTION.—(See COMMISSION, SECRET, PREVENTION OF CORRUPTION ACT.)

CORRUPT PRACTICES AT ELECTIONS.—A statute passed in 1729 required every voter at a Parliamentary election to take an oath, declaring that he had not received, directly or indirectly, any sum of money, office, employment, or gift, in order to give his vote at "this election," and that he had not already polled. The penalty for disobedience was £500, coupled with absolute disfranchisement.

An Act to consolidate and amend the laws relating to bribery, treating, and undue influence at elections of Members of Parliament was passed in 1854. In this Act the offence of bribery is thus defined—

"To give, lend, or procure, money to or for a voter, to induce him to vote, or to abstain from voting, to agree to give, or procure, or promise office, place, or employment to a voter, so as to influence his vote. Penalty, fine or imprisonment, or both. It would not make any difference if the offence of bribery was committed after the election."

The offence of treating is thus summarised: Any candidate who by himself or through another shall corruptly provide any expenses incurred for meat, drink, entertainment, or provision for any person, in order to be elected, or to give or to refrain from giving his vote, shall forfeit £50 and the costs of the suit, and the vote, if given, shall be void.

Undue influence consists in making use, or threatening to make use, of any force, violence, or restraint, or the infliction or threatened infliction of any injury, damage, or loss, or practising any

intimidation upon or against any person, in order to compel him to vote or to abstain from voting or by abduction, duress, or any fraudulent device or contrivance, impeding or preventing the free exercise of the franchise by any voter. Penalty, fine or imprisonment, or both.

Power is given to the returning barrister to strike off from the list of voters any person who has been convicted of bribery, undue influence, or treating. The name so struck off must be added to any list to be appended to the list of voters; this black list is entitled "The list of persons disqualified for bribery, treating, or undue influence." Persons having a right to vote at an election shall not be compelled to act as special constables, but they may consent to act. Whoever undertakes a prosecution under the Act shall be bound in the sum of £200 effectively to prosecute, and to pay the costs of the defendant if the prosecutor loses. The action must be commenced within one year of the offence.

It is an illegal act to give, or cause to be given, to a voter on the day of nomination, or day of polling, any meat, drink, or entertainment, or money or ticket for a like purpose on account of the voter having polled his vote or being about to do so. If any candidate for Parliament shall be declared guilty by himself or by his agents of bribery, treating, or undue influence, he shall be incapable of being elected or of sitting in the Parliament then in existence. The Act of 1854 is now repealed, but the substance of it is embodied in later statutes.

The Representation of the People Act, 1867, makes it a misdemeanour for any of the following to vote at an election: Any elector who shall be hired or retained for payment as agent, canvasser, clerk, messenger, or in like employment on behalf of any candidate. The same Act makes it illegal to pay any money on account of the conveyance of any voter to the poll, also it is illegal for any person corruptly to pay any pecuniary rate on behalf of a voter, to induce him to vote or to return from voting. Either party concerned will be guilty of bribery.

The Parliamentary Elections Act was passed in 1868 to provide more effectually for the prevention of corrupt practices. It provides for the trial of an election petition before a judge of the High Court. The judge must report to the Speaker of the House of Commons whether any corrupt practice has been proved to have been committed with the knowledge and consent of any candidate, the names of the person proved guilty must be given, and whether there is reason to believe that corrupt practices have extensively prevailed at that election. The following is the effect of the judge's report upon the candidate. He is held to be personally guilty of bribery. His election is void if he has been elected, he must be elected or sit in the House of Commons for seven years from the date when he was found guilty, he cannot vote anywhere within the United Kingdom or hold any judicial office, or be a justice of the peace. If the candidate has employed an agent whom he knew to be corrupt, having been previously found guilty of corruption, this will also void the candidate's election void. Any person guilty of bribery at an election who has been found within seven years of being found guilty, cannot vote at any election in the United Kingdom, or hold any of the offices referred to above. The

above statute is now repealed, but the law has been embodied in later legislation.

The Ballot Act, 1872, makes the following matters offences: Forging, or fraudulently defacing or destroying a nomination paper, or a ballot paper, supplying a ballot paper without due authority, fraudulently putting into the ballot box anything but the proper ballot paper, taking a ballot paper out of the polling station, destroying or interfering with a ballot box, or a packet of ballot papers. The penalty is a term of imprisonment.

This Act defines personation. Any person who applies for a ballot paper in the name of some other person, or who, having voted once, tries to vote a second time, or who aids, abets, or counsels the commission of the offences, shall be guilty of a felony. The penalty is a term of imprisonment. At the trial of an election petition, one vote must be struck off the total of votes polled, for every person who voted at the election, who is proved to have been guilty of any of the corrupt practices of which this article treats.

In 1883 there was further legislation; in that year an Act was passed for the better prevention of corrupt and illegal practices at Parliamentary elections. This Act makes any person liable for treating, whether before, during, or after an election he gives, provides, or pays for any meat, drink, or entertainment to any person for the purpose of corruptly influencing him to vote, or to abstain from voting. The voter who takes the refreshment is equally guilty of the offence of treating. Undue influence consists in threatening, or using any force, violence, or restraint, or inflicting or threatening to inflict any temporal or spiritual injury, damage, harm, or loss upon any person, to compel him to vote or refrain from voting. Corrupt practice includes: Treating, undue influence, bribery, personation, and aiding, abetting, or counselling personation. Penalties—if a candidate is found personally guilty of corrupt practices, he shall not be capable of ever sitting in the House of Commons, or in the case of his being guilty, through the acts of his agent, he shall be debarred for seven years.

Illegal practices are: Payment for conveying electors to the poll, payment to an elector for the use of a house or premises for the exhibition of election literature, payment for committee rooms beyond the number allowed by the Act. A payment made to an advertising agent or billposter in the ordinary course of his business is not an illegal practice. It is an illegal practice for a person to induce another person to vote when he knows that that person is prohibited; also to publish a false statement of the withdrawal of a candidate. Penalties—a fine not exceeding £100, with prohibition from voting for five years. If the candidate has personally been found guilty of an illegal practice, he cannot sit in the House of Commons for seven years, and, if elected, his election will be void. If the candidate has been guilty of illegal practice through his agents, he cannot sit in the House of Commons during that Parliament.

It is illegal knowingly to provide money for any payment contrary to the Act, or to let, lend, or employ any public stage carriage, or hackney carriage, or horse drawing the same (or taxi-cab) for the purpose of conveying voters to the poll. Nor must any person hire, borrow, or use any of these public vehicles for this purpose. A voter may hire a public conveyance at his own cost for his own use. Private persons may lend their conveyances

to convey voters to the poll. It is illegal corruptly to induce a person to withdraw from being a candidate by the offer of payment. It is illegal to pay for bands of music, torches, flags, banners, cockades, or ribbons to promote the election of a candidate. Certain employments are illegal, but the following are allowed by the Act. One election agent, one sub-agent for each polling district in the counties; one polling agent in each polling station; one clerk and one messenger for every complete 500 electors in a borough. In a county, one clerk and one messenger for each polling district or for each complete 500 electors. The persons so employed, if electors, may not vote.

It is an illegal practice if the name and address of the printer is not printed upon all printed documents issued. It is also illegal to use, as a committee room, any house in which intoxicating liquors are sold, or any public elementary school, unless any part of such premises is ordinarily let for public meetings. The penalty for an illegal payment is £100.

The following persons are disqualified from voting, or, if they have voted, their votes are void: Those who are guilty of a corrupt or illegal practice, illegal employment, payment, or hiring, or who are disqualified by conviction for previous corrupt practice. A justice of the peace may be removed for corrupt practice, and a barrister or solicitor found guilty will be dealt with by his Inn or by the High Court. A licensed person found guilty will have his licence considered at the renewal of licences. All persons incapacitated for voting by corrupt and illegal practices will have their names published and appended to the register of electors, and sent to the overseers of the parish.

The law as to corrupt practices at the elections of city councillors, or borough or town councillors, is practically the same as that which applies to Parliamentary elections. The election court to try a municipal petition is presided over by a duly qualified barrister. The law is fully set out in Part IV of the Municipal Corporations Act, 1882, and in the Municipal Elections Corrupt and Illegal Practices Act, 1884. A person guilty of an illegal practice at a municipal election is liable to a fine not exceeding £100; he cannot be registered as a voter for five years after the offence, or vote in an election. The town clerk in every municipal borough must make out an annual list of burgesses incapacitated for voting because of corrupt or illegal practices. This list is published to all the overseers within the district.

The election of the mayor, aldermen, and common councilmen in the City of London is governed by the same law as to corrupt or illegal practices. Voting by ballot at municipal elections within the City of London was introduced by the City of London Ballot Act, 1887, and the penalties contained in the Ballot Act of 1872 were included in the City Act. The law concerning corrupt and illegal practices was applied to the elections of county councillors by the Local Government Act, 1888, and to district councillors, guardians, and parish councillors by the Local Government Act, 1894.

The election of mayor, aldermen, and councillors of the metropolitan boroughs is governed by the London Government Act, 1899. The law as to corrupt and illegal practices applies to the metropolitan boroughs.

The whole matter of general bribery as regards

municipalities is covered by an Act for the more effectual prevention and punishment of bribery and corruption of and by members, officers, or servants of corporations, councils, boards, commissions, or other public bodies, 1889. This Act does not deal with elections, but with wrongful acts done by persons when they are elected. Corruption in office is a misdemeanour, punished by fine, or imprisonment, or both.

The law was finally extended to corrupt transactions with agents. The Prevention of Corruption Act, 1906, enacts that the following are misdemeanours: If an agent corruptly accepts a gift for doing or not doing something in his principal's business, showing favour or disfavour to a person against the interest of the principal. The person who gives, or offers, the bribe has committed the offence. Agents are not only persons engaged in commerce, but also those serving the Crown or public authorities.

An extension of the law has been effected by the passing of the Municipal Elections (Corrupt and Illegal Practices) Act, 1911. As this Act is one of importance, Section 1 is here given *in extenso*. It enacts—

"(1) Any person who, or the directors of any body or association which, before or during any municipal election, shall, for the purpose of affecting the return of any candidate at such election, make or publish any false statement of fact in relation to the personal character or conduct of such candidate shall be guilty of an illegal practice within the meaning of the provisions of the Municipal Elections (Corrupt and Illegal Practices) Act, 1884, and shall be subject to all the penalties for any consequences of committing an illegal practice in the Act mentioned, and the said Act shall be taken to be amended as if the illegal practice defined by this Act had been contained therein.

"(2) No person shall be deemed to be guilty of such illegal practice if he can show that he had reasonable grounds for believing, and did believe, the statement made by him to be true.

"(3) Any person who shall make or publish any false statement of fact as aforesaid may be restrained by interim or perpetual injunction by the High Court of Justice from any repetition of such false statement or any false statement of a similar character in relation to such candidate, and, for the purpose of granting an interim injunction, *prima facie* proof of the falsity of the statement shall be sufficient.

"(4) A candidate shall not be liable nor shall be subject to any incapacity, nor shall his election be avoided, for any illegal practice under this Act committed by his agent, unless it can be shown that the candidate has authorised or consented to the committing of such illegal practice, or has paid for the circulation of the false statement constituting the illegal practice, or unless upon the hearing of an election petition the election court shall find and report that the election of such candidate was procured or materially assisted in consequence of the making or publishing of such false statement."

CORUNDUM.—A species of mineral, consisting of pure alumina. Its intense hardness, which is rivalled only by the diamond, is its distinguishing characteristic. The precious varieties include the ruby, sapphire, and Oriental topaz. These are distinguished from the common varieties by the brilliancy of their colouring and by their

transparency. Emery is an impure, dark coloured variety of corundum, owing its colour to the presence of oxide of iron. Like common corundum, emery is much used on account of its hardness for grinding, cutting, and polishing plate glass, machinery, etc. India, China, and the United States supply the largest quantities of common corundum.

COST ACCOUNTS.—*Cost Accounts* are those which contain an *analytical record of expenditure incurred in production, output, construction or services rendered.*

The costing of the merchant or trader who merely sells what he buys, is a simple matter since he is not concerned with wages, stores, materials, and expenses of manufacture in production.

Suppose, for example, he sells certain goods on truck at a certain place, and that he bought them F.O.B. his cost might be summarised as under:—

Price, F.O.B.
 Freight, Insurance and other charges
 to destination
 Expenses of delivery ex ship to ware-
 house
 Expenses of delivery ex warehouse to
 truck
 Rent
 Cost on Truck

The installation of an efficient system of costing means a previous close study of the conditions and routine and organisation of the business to which it is to be applied, including its departmental and inter-departmental methods and relations.

To be of practical utility there must not only be regularity in critical examination by those responsible, but the information must be presented in suitable form and detail, all of which pre-supposes that the system to be installed should possess, as far as it is possible to obtain them, clarity and simplicity.

Costing primarily concerns itself with the proper record of existing facts from which (*inter alia*) any defects or improvements may be deduced, and moreover, probably of another science, applied. Wasted energy or idle time, overlapping duplication, unnecessary tape, defective management, hand labour instead of machine labour, are all of them intricate factors in the consideration of improved costs, which should be adequately prepared and presented, and discussed with intelligence and regularity, and not haphazard.

The construction of a sound system of costing is within the reach of every organisation of which it is an essential part. Fundamentally one of the introductory duties is to define the articles, or products, or groups of them, of which due cost should be kept; secondly, to collate the various items that are to define the cost of the different processes of production; and thirdly to give due interpretation to what is called oncost, i.e., the primary overhead or standing charges that often can only be incorporated in the system adopted by apportionment.

It is, however, as we have indicated, to manufacture or production, which involves outlay in wages, materials and expenses, that costing more immediately applies itself.

Broadly, we may classify the businesses or

undertakings in which costing plays a prominent part as follows:—

(1) Businesses or industries composed of a number of separate departments, each department dealing with a distinct description of output of goods, the objective being the cost of each department and each description of goods.

(2) Undertakings in which the cost of working is expressed in terms of a standard or unit, for instance, an electric tramway company in which the costs of operating or working are expressed per car mile run, or an electric lighting company in which they are expressed per B.O.T. unit sold, generation costs per unit generated and so on.

(3) Contracting and constructing businesses in which the object to be attained is the cost of each contract.

(4) Businesses, the output of which consists of a number of separate articles or descriptions of manufacture, each article or description necessitating certain processes in which it is desired to exhibit the cost of each department, the cost of each process, and the complete cost of the finished article or product.

In the goods and mineral-carrying operations of a railway company earnings may be expressed in terms of the ton mile and expenses in terms of the train mile, and many a suggestion for improvement must be studied from the point of view of whether it is likely to be contributory to increased ton miles or the reduction of train miles.

On the subject of whether interest should be treated as an element of cost, or as an appropriation of profit, there is abroad much diversity of opinion. We often say that there can be no appropriation to true profit until after interest has been charged on capital and provision has been made for depreciation, and it must be borne in mind that no one in ordinary conditions and circumstances ventures to put capital into a concern without the prospect of the profit being such as to return him a reasonable rate of interest with an addition varying according to the risk involved. Debenture interest, and interest on loans, in general, are financial expenses, and in reality constitute a component part of cost, as does also interest in the capital employed.

The elements of costing are wages, materials, and expenses, or oncost, and expenses may be direct or indirect. "Prime," "first," or "flat" cost is in some cases taken as representing wages and materials only, and in others as exhibited in the following form:—

Wages
 Materials
 Direct expenses of production
 Indirect expenses of production
 [Such as wages of superintendents,
 rents, taxes, insurance, lighting, de-
 preciation, and maintenance of
 plant and buildings]

= Prime cost
 Expenses of administration and dis-
 tribution
 Profit + interest on capital

= Selling price

But we need not pursue these distinctions which raise various degrees of opinion, beyond stating that other names in vogue for oncost are "burden"

or "overhead" expense. Oncost consists of expense partly variable, it may be according to quantity of saleable production, and partly permanent irrespective of production. This permanent oncost often occupies a place of considerable importance in the complete or total cost, and as a general observation, the tendency is for it to increase.

The primary object in all instances is therefore identical, that is the total analytical cost of production. The cost accounts of all dissimilar producing and manufacturing undertakings obviously exhibit varying peculiarities in relation to substance of terminology, and in form and mode of presentation. Redundant appellations should be avoided and clarity or perspicuity should take precedence of terseness. Moreover, when, as is common, a particular expression is employed to denote a grouping of several descriptions of a more or less readily associated or homogeneous nature, the signification should be comprehensive and free from potential ambiguity. Practical costing does not invite pedantic analysis, and it should be remembered that in practice most cost abstracts, as between many of the various items comprising them, are in reality a composition of fact and estimate.

Various views have been expressed on the subject of standardization and interchange of costing. Such classes of industry as gas, water, electric light and power (for which statutory forms of account are prescribed), and electric tramways freely lend themselves thereto since the revenue items in all such undertakings are uniformly common. It goes without saying, however, that there is no mutual link between interchange and free competition, and in other different undertakings the progress that has been made as regards combination of standardization and interchange is due chiefly to federation. Consolidation, association, absorption, fusion, amalgamation, working arrangements, and any other expedients and devices to which those concerned may resort, the fundamental object of which is economy and efficiency of production, increase prices, and as far as possible the elimination of free competition. In this connection, because of the evolution of commercial association and organization, many enterprises are classed either as "vertical" or "horizontal," but thus by the way. As observed in current custom and practice, free competition with its advantages and disadvantages seems to be ever on the decline.

Systems of Remuneration. The subject of recording labour or wages is associated with time keeping and allocation. Where there is a large number of men employed there should be an efficient system of recording the time service of labour, and the precise work upon which it has been expended, for the purpose of the periodical pay bill and for the ascertainment of the cost of the work done.

There are in operation various modes or systems of remunerating labour upon which one may offer some observations.

The day-work, or time-work, method may be described as a method of remunerating labour by eliminating the quantity of work done. We may have such a system, either in whole or in part,

(1) by which each workman of a class receives the same rate of wages;

(2) by which the work to be carried out is more or less continuous, being carefully schemed and a

record kept of the work done, the wages being determined on these lines.

The chief weaknesses of the day-work system are—

(1) The efficient receives no more than the inefficient;

(2) No incentive to improve methods of working and consequently increase production.

Broadly, the piece-work system denotes all those various methods or schemes for remunerating labour on the basis of the amount of work performed instead of on the time expended.

The differential piece-work system consists of a high rate per operation or piece, if a certain output in a given time be effected, and a lower rate per operation or piece if the output be less than the standard set.

"Fixed piece-work rates" may be applied to those cases in which the rates are not subject to "cutting" or reduction.

Analytical piece-work rates signify rates applicable to convenient sub-divisions of work.

The contract or sub-contracting system describes those cases in which the foreman or other responsible person contracts to carry out the work (the company finding the material) for a given sum, the responsible person making his own arrangement with the man. Usually, however, there are certain stipulations in the contract dealing with the rates of wages and other matters.

The piece-work method is, of course, an improvement upon that of the day or time work, and satisfies the requirements of certain classes of labour. It, however, has proved a fertile source of rate cutting or rate reduction and consequent industrial strife.

The selling price of production has its limitations as regards reduction. On the other hand the wages of a piece-work man, of course, increase as he becomes proficient, and circumstances may arise in which the employer, when he is unable to effect economies in material and oncost, reduces the rates he is paying, to meet trade competition. The result is obvious, the workman curtailing his efficiency accordingly.

The premium or bonus system (of which there are various forms in vogue, differing in principle from each other in the details giving effect to them, and in the apportionment of the bonus representing the value of the intensity or premium labour) must be noted.

The principles of this description of remuneration are intended to—

(1) Increase production,

(2) Increase wages, and thus stimulate the employees to take increased interest in their work;

(3) Produce a wider margin between manufacturing or productive wages and production;

(4) Produce a smaller ratio of oncost to production.

A rate-fixing committee or department is usually created, which also determines the standard times for various operations.

We may proceed to notice some of the applications of the system.

Time rate : 9d. per hour.

Standard time : 100 hours.

Time occupied : 90 hours.

$\frac{1}{2}$ of premium credited to workman—

90 hours at 9d. = 810

$\frac{1}{2}$ of 10 = 3 $\frac{1}{2}$ hours at 9d. = 30

Wages 840 pence.

or 9 33 pence per hour.

If we take half of saving, we have -

90 hours at 9d 810
 1 of 10 The intensity of labour
 5 at 9d 45

or 9½d per hour 855 pence

Or we may have a system, in which the monetary value of the premium bears the same relation to the ordinary wage due for the time taken to complete an operation, as the time saved bears to the time allowed.

Premiaing as above, we have:

Time saved 10 hours }
 Time allowed 100 hours } 10
 Pence
 9 hours at 9d 81
 90 hours at 9d 810 } 10
 891

891
 90 rate per hour

In some cases the payment of the premium is not made until, say, 5 per cent. premium has been earned, and probably in multiples of 5 per cent. thereafter.

Or we may have the cardinal principle, that the workman be paid a certain rate below the standard for his intensity of production.

Following the previous examples, we may proceed:

90 hours at 9d 810
 10 hours saved payable at, say, 7d 70
 880 pence

And 880
 90 rate per hour

Rules are made as to defective output due to inferior material, and as to workmanship. It is usually provided that if a man's work does not pass inspection he receives no premium for the work or operation unless he is able to make it good in the standard time, in which case, if he does so, he, of course, becomes entitled to the premium which he has earned.

To each workman is issued a job or premium card on the lines of that shown in the next column, which is filled up in part by the drawing office rate fixing department, for use of the storekeeper, shop inspector, or, in some cases, of the costing department.

The card may be accompanied by a stores or materials card in which are set forth the materials required, and which enables the workman to obtain his requirements accordingly.

PREMIUM CARD.

No. of Workman	Name of Workman	Rate
Standard Time	Operation	
Job No.	Reference to Drawing, etc.	
Date and Hour of commencing Work	Initials	
Date and Hour of Completion	Initials	
Time taken	Initials	
Time saved	Initials	
Time taken	hours at	£
Premium	"	
Overtime	"	
Allowances	"	
Total		

Calculated by
 Work passed
 Checked by
 No. of operations
 or pieces passed.

The wages of a factory are usually abstracted weekly, and the result of the weekly abstract entered in the pay bill book, which may be designed as shown on page 457.

The cost clerk may journalise the dissected weekly pay from the abstract book, debiting the various accounts concerned and crediting the office account, the office crediting cash and debiting the costing department with the amount of the wages cheque, as well as with the deductions made on account of any sick club or provident fund.

Stores Records. It is essential that there should be in use an adequate and reliable record of all stores and materials received for manufacturing and other purposes, of their issue from time to time, and the objects on which they are consumed as well as of the quantities and values of the different descriptions of stock on hand, just as it is necessary to keep systematic and accurate records of things purchased or manufactured, their disposal and the available stock on hand at any time—in short, there should be an efficient system of stores and stock-keeping.

The following may be taken as representing the practice on the subject in a certain undertaking.

The advice and delivery notes are handed to the storekeeper, the goods being in all cases inspected and passed by a competent person who initials the invoice accordingly. The storekeeper keeps a stores received and stores issued book designed in the following manner—

STORES RECEIVED BOOK

Date Received	Delivery Note	Invoice	S. I. Notes	Name	Particulars	Passed by	Quantity	Weight	Rate	Amount	Total
								T C Q lbs			

STORES ISSUED BOOK

Date Issued	Department	Invoice	Name	Department or Shop	Particulars	Quantity	Weight	Rate	Amount	Total
							T C Q lbs			

Work- No.	Name.	Grade.	Shop or depart- ment	Piece- work No.	Factory Order No.	Hours Worked							Rate	Amount		Pre- miums and allow- ances	Ex- penses and allow- ances	Deductions.			Total.
														Overtime	Total			Over- Time			
						Day Work.															
						W	T	F	S	M	T										

The goods received and passed are entered in this book by the storekeeper, who issues goods only upon the presentation of properly authenticated requisitions and for the supply of which he receives a receipt in the form of requisition, the issues being entered in a stores issued book as on page 456. The entries in these two books are audited or verified periodically with the invoices and requisitions in the works accountant's office.

The stores ledger (page 458), to which the entries in the stores received and stores issued book are posted to suitable accounts raised therein, is kept in the works accountant's office, the posting being done by one of the staff, being one of the links in the system of internal check practised.

The storekeeper, by the aid of stores cards, is enabled to inform the works accountant, the estimating, manufacturing, or other department, of the quantities of each description of store or material on hand at any time.

The form of the stores ledger is shown on the next page.

At the end of each month the works accountant's department prepares a statement of the issues and their allocations, which is dealt with by the costing clerk, the allocations being duly debited to the various works in hand, and other accounts in accordance with the statement. A copy of this statement duly certified is made for the office, the counting house, or financial department, the total of which is credited to stock and debited to stores issued account, the latter being subsequently extinguished by being posted to production accounts, various maintenance accounts, and others raised to give due effect to the allocations.

In a large proportion of the different classes of trade, it is not difficult to institute and maintain an accurate record of the quantities of purchase and sales of the things constituting the stock-in-trade of the concern.

In manufacturing entities, for example when an order is issued to the department or departments concerned to make for stock purposes and eventual sale certain articles, a definite number will be assigned to such order, and all cost in respect thereof charged to the number. When completed, the articles will be taken into stock by the stock-keeper, the costing department as representing the manufacturing or producing department being given credit for the cost as exhibited by the cost records. The sales, or issues therefrom will be recorded by the storekeeper, and possibly analysed when entered in the sales book, according to the particular practice in vogue. The merchant who merely sells that which he purchases usually possesses in handy form details of the descriptions and quantities of purchases and sales.

In the case of retail provision stores, by way of another example, it is not possible to keep a fairly reliable record of the quantities sold without much detailed and tedious dissection of the carbons of customers' bills.

As regards the modern store with its multifarious articles and numerous departments in which, as in most other trades or businesses of moment, a system of internal check is indispensable, many of the departments may keep a record of all the goods that they receive, and a dissected account of the issues or sales. Where it is almost impracticable, except at considerable expense, or even considered unnecessary to devise and carry out operations of record in such extended detail, the

must rely upon other people for details of the stock in-trade in hand. Can it be truly said that the auditors were wanting in reasonable care in not thinking it necessary to test the managing director's returns? I cannot bring myself to think that they were."

Lord Justice Lopes said "that it was the duty of an auditor to bring to bear upon the work he has to perform, that skill, care, and caution which a reasonably competent, careful, and cautious auditor would use. What was reasonable skill, care, and caution depended upon the circumstances of each case. An auditor was not bound to be a detective

or, as was said, to approach his work with suspicion or with a foregone conclusion that there is something wrong. He was a watch-dog, but not a bloodhound. He was justified in believing tried servants of the company in whom confidence is placed by the company. He was entitled to assume that they were honest and to rely upon their representations provided he took reasonable care. If there was anything calculated to excite suspicion he must probe it to the bottom."

Example.—The construction of manufacturing and trading accounts is shown in the following supposititious example, which is self-explanatory.

STOCK ACCOUNT.

Being an account of all stores and materials and manufactured articles made or purchased by the Undertaking to be used or consumed in the various processes of manufacturing and other purposes.

	£		£
To Stock at commencement of period at cost	8,000	By Issues to Factory for manufacturing ..	12,000
„ Purchases during the period, less trade discounts	14,000	„ Issues for other purposes (Capital or revenue)	1,000
	<u>£22,000</u>	„ Stock in hand at end of period	9,000
			<u>£22,000</u>

FACTORY ACCOUNT

(Section I)

	£		£
To Cost of Goods in course of manufacture at beginning of period	10,000	By Cost of completed work carried down ..	26,000
„ Issues from stock during the period ..	12,000	„ Cost of work in progress at end of financial year carried down	6,000
„ Direct purchases at cost, less trade discounts	2,000		
„ Factory Wages	7,000		
„ Inward freight, carriage, and similar charges on stores and materials for manufacturing and other purposes ..	1,000		
	<u>£32,000</u>		<u>£32,000</u>

It is more correct to add the freights and similar charges on the stock purchases to that item in the stock account rather than include them in this section. In that case only the freights and similar charges on direct purchases would be incorporated in the section.

FACTORY ACCOUNT

(Section II)

	£		£
To Cost of completed work at cost, brought forward from Section I	26,000	By Cost of completed work at end of period ..	30,000
„ Cost of work in progress at end of financial year, brought down from Section I	6,000	„ Cost of work in progress at end of period carried down and transferred to Factory Account, Section I, at the beginning of the subsequent period	7,000
¹ Factory Charges— (Here should be suitably detailed such items as Repairs and Maintenance of Plant and Machinery, Buildings, Tools, etc., Foremen's Wages, Timekeeper, and Storekeeper's Wages, and the like, Depreciation, etc.) ..	5,000		
	<u>£37,000</u>		<u>£37,000</u>

¹ It will be noticed that there is a credit item of £1,000 in the Stock Account for issues for other purposes (capital or revenue). Any revenue issues would be included in the £5,000 in Section II of the Factory Account.

Our trading and profit and loss account may be as under—

TRADING ACCOUNT.

	£		£
To Completed Stock at commencement of period at cost	11,000	By Sales	56,000
.. Completed stock during the period, at cost	30,000	.. Completed Stock at end of period, at cost .. .	9,000
.. Balances being gross profit	24,000		
	<u>£65,000</u>		<u>£65,000</u>

PROFIT AND LOSS ACCOUNT

	£		£
To Distribution Expenses (suitably detailed)	4,000	By Balance brought down from Trading Account .. .	24,000
.. Administrative Expenses (suitably detailed)	5,000		
.. Balances being net profit	15,000		
	<u>£24,000</u>		<u>£24,000</u>

COSTA RICA. This is the most southerly of the republics of Central America, and it is certainly the most advanced of the States which make up this territory. It is most favourably situated for commerce, bordering on the Caribbean Sea and also on



the Pacific Ocean. The total area is about 23,000 square miles, and the population is about 450,000. Most of the inhabitants are descended from Spanish settlers, though there are also a number of half-breeds, negroes, and half-castes.

Relief. The country is mountainous in the interior, and there are several active as well as extinct volcanoes. The elevation gives the country a comparatively mild and temperate climate, the only hot and unhealthy parts being along the sea coasts.

Productions. Coffee is extensively cultivated, and this has formed one of the principal exports for many years. Recently, however, there has been an enormous trade in bananas, the value of the fruit exported in normal times being over £900,000. Other exports are cacao, cedar-wood, birds, and hides.

There are few manufactures, most of the goods required being obtained from foreign countries. Mining is carried on to a certain extent, gold being obtained in various parts. This work is conducted by American companies. More than 70 per cent. of the trade of Costa Rica is carried on with the United States, Great Britain taking less than 16 per cent. of her products, although a considerable amount of British capital is invested there.

There has recently been a considerable increase in the railway mileage—now about 420 miles—and the two sea-boards are connected by a line which runs from Limón to Punta Arenas by way of the capital, San José.

Towns. The capital is *San José*, in the interior, with a population of nearly 40,000.

Limón, or *Port Limón*, is the chief port on the Caribbean Sea.

Punta Arenas, the only other town of any importance, is situated on the Pacific coast.

San José is about 5,700 miles distant from London. Mails are despatched once a fortnight, with an additional service *via* New York, and the time of transit is about seventeen days.

COST AND FREIGHT.—Goods which are sold under this arrangement are not insured, but the price includes cost and freight only.

COST BOOK.—This is a book kept in a manufacturing business for the entry of the actual cost of production of each article or class of articles. Such information is of special service when estimates are being made for the purpose of giving quotations, the cost books showing at a glance the cost of production in the past of similar or somewhat similar articles, and it being only necessary to revise such matters as fluctuations in the price of materials, labour, etc. It is essential that each particular business should have a form of cost book adapted to its particular requirements, and hence, although meeting the same objects, the forms vary considerably. Taking the case of an engineering business, the figures from which the entries are made are ascertained from the stores issued book for materials consumed, the various wages books

or wages sheets for wages, cash and petty cash books for items of sundry expenses, and transfer books or sheets for materials transferred from one job to another; and the indirect expenses (sometimes known as "establishment expenses," or as "oncost"), including all expenses which cannot be charged directly to any particular job, as rates, lighting, heating, salaries, depreciation, interest, advertising and general expenses, are estimated at a percentage on materials used, or wages paid, or both together, of such amount as experience shows to be adequate.

The figures given by the cost books as the total value of the work produced in a certain period should agree with and form a check upon the total costs of manufacturing shown by the books of account.

The form of stores issued book and of an allocation sheet given below, will show how the detail is arrived at for insertion in the cost book (See COST ACCOUNTS, COSTING)

COST BOOK SYSTEM.—This is a system under which mining operations are conducted in certain parts of the country, the whole system being governed by local custom. It is practically confined to the counties of Devon and Cornwall, and it seems to be doubtful whether companies formed under this system, called Cost Book Mining Companies, can be established outside the jurisdiction of what is known as the Stannaries (*qv*). It is a species of partnership, where twenty or more persons agree to provide the necessary capital to carry on the work. The whole

business is carried on by an individual who is called a "purser," and he must enter up all the mining accounts at regular intervals, so as to show the financial position of the concern. The receipts and expenditure are kept closely posted, and the books are frequently balanced for the purpose of distributing profits, or of raising further capital, as the case may be, a meeting of those interested being called at stated intervals for that purpose. The shareholders in mine conducted on the cost book system are usually entitled to withdraw from the concern at any time they please provided they have paid up their proportion of the existing liabilities. When this has been done, their names are struck off the book.

Companies which are within the jurisdiction of the Stannaries are regulated by the Stannaries Acts, 1869, 1887, and 1896

According to the custom which prevails in the county of Cornwall, a person who is interested in a mine—an adventurer in a Cost Book Mine—is entitled to be paid his share of the value of the stock and plant, subject to the discharge of his liabilities to the company at that date, whenever he relinquishes his share in the concern. If the company is insolvent, the adventurer must pay his share of the deficiency. In all cases the value of the assets is ascertained by taking the company as a going concern at the date of the relinquishing of the shares.

COST, FREIGHT, AND INSURANCE.—The price charged for goods when insurance is added to cost and freight (See C F I)

STORES ISSUED BOOK

[illegible]

WAGES ALLOCATION SHEET

[illegible]

who, even at this time, a century and a half ago, displaced the old time craftsmen who undertook the production of this modest article from start to finish. The new principle applies in practically every trade, and the specialist now is one who merely undertakes the production of a given article at one stage only. Thus the factory is made up of a series of different craftsmen who all, in their turn, carry out the various operations applicable to their particular work. To provide an adequate means of recording the time and the character of work employed, it is necessary to use a form which will, without unduly occupying the time of the worker, display the necessary information as to the net time occupied by him and the character of the work involved. In the majority of factories it is found necessary to have these particulars returned, day by day, to the costing department, where next morning the previous day's productive labour is dissected and charged up on to cost cards, one card for each item of work in progress. It is usual to agree these daily dissections week by week with the amount of total wages paid, or fortnightly, if such a period of payment is in vogue, the daily dockets of the men being collected into weekly batches and agreed with their time records to be handed by the overseer to the works manager, and so on to the costing department.

2. Raw Material. A proper system of requisitioning goods required to complete a given contract must be employed whether the goods are required from the stores of the establishment or to be especially ordered from an outside firm. It is usual, in charging up material, to add a certain percentage—say, 5 to 10 per cent—for cost of warehousing and to cover any possible loss through depreciation in value occasioned by effluxion of time, and so forth. Again, other houses add a definite rate per cent, as a profit for handling such raw material. In this instance, it is necessary periodically to check the amount charged up to the various jobs in hand, with a view to ascertaining the correctness of the entries made. The financial accounts will show a certain consumption of material under the various heads; the cost department should be able to show that the same amount has been charged up approximately through their accounts for the same period.

With regard to materials, some system of requisition docket employed by the overseer of each department must be brought into use. The requisition form must bear the number of the work order or job in hand, full particulars of the material required, with quantities and any special remarks which may be deemed necessary, the requisition order being signed by the employee, countersigned by the foreman. When the material has been handed out, the storekeeper will retain this requisition order as a voucher, entering the particulars in his stores ledger to correspond with the transaction. Should special material be required, i.e., some goods which are not kept in stock, the overseer will hand the requisition to the order office, where instructions will be sent out to the firm supplying the goods, which, when delivered, will be fully charged up to the work order indicated on the original requisition form; but will, nevertheless, be passed through the stores ledger as a record of the goods having been received, and in order that some check may be placed upon the system, to show that the whole of the raw material passing through the various headings of material consumed has been charged up from time to time.

The term "raw material" is somewhat misleading from the practical economic standpoint. Its theoretical equivalent signifies a product upon which no labour has been expended. For the purposes of costing, it must be regarded as that commodity which reaches, or is bought by, the consumer in the state required for his use. Thus, wool is the raw product to the cloth factory, whence it evolves as cloth, to become the raw product for the manufacturing clothier.

3. Establishment Charges or Overhead Burden. This is added to the cost of productive labour involved, and embraces all charges such as administrative wages, rent, rates, and taxes, repairs, renewals, depreciation, power, light, and heat, and all other charges incidental to maintaining the efficiency of the factory. The method of application is to base a certain percentage, represented by these outgoings, to that of the known amount expended for productive labour; thus, assuming that in a given year a firm spent £5,000 in productive labour, whilst the outlays represented by administrative wages and salaries, rent, and other items, as mentioned above, amount to £7,500 for the same period, then the overhead establishment percentage to be charged, in addition to the productive labour involved, will be as 5,000 is to 7,500, or 150 per cent. It is usual in this case to allow a reasonable margin to cover contingencies and possible unforeseen fluctuations. (See *ONCOST*.)

4. Expenses of Distribution, or Selling Expenses. In cases where a separate establishment exists for the purpose of warehousing and distributing the product, the full system of selling costs becomes advisable. The product as it reaches the warehouse will be known in value from the factory costs previously explained. At this stage it becomes necessary to ascertain the cost of marketing each unit, though in the majority of cases, especially where it is found necessary to create different branches or departments, a system which will exhibit a percentage of cost to the known value of the product as it leaves the factory will suffice.

5. Profit. This is a certain rate of percentage to be added to the cost of production, which now includes productive labour, raw material consumed, factory burden, and administrative charges, and cost of distribution. The rate of percentage to be added for profit will, of course, depend upon many factors, such as, for instance, the question of competition and the prices a similar article is capable of maintaining in different markets.

Selling Costs. Although, strictly speaking, the systems of costing do not appertain to retail establishments, there is a growing inclination on the part of some of our large shopping emporiums to take percentages of cost in dealing with their goods. The usual method is to take the net value of the purchases over a given period, and upon this sum to place a percentage for the whole of the expenses of the establishment even to the extent of depreciation, debenture interest, directors' fees, and so on, the object being to show that in handling a given article it is necessary to place a given sum over and above the cost price, if a suitable margin, to provide the profit it is required to earn. This system is not, in effect, strictly speaking, a costing system, it is more a question of ways and means in the administration of a retail establishment, the percentage arrived at serving as a guide in marking up goods for sale. In multiple shop systems, where wages and other expenses can be analysed or

directly charged to the different departments, it is possible to arrive at a percentage of cost for each of such departments. Under such an arrangement certain percentages would be applied for the direct charges of a department to each department, a further percentage for the cost of administering the whole business. The latter percentage applies to all departments. (See also *Cost Accounts*.)

COSTS.—This word generally denotes the expenses which are connected with litigation. In all cases which are tried without a jury, the judge has a complete discretion as to the awarding of costs, while, however, of the parties happens to be the successful party in the long run. In many suits, however, especially those connected with wills and administration, unless the litigation is of an outrageous character, costs are ordered to be paid out of the fund in dispute. In the case of trial by jury, however, the general rule is that costs follow the event, *i.e.*, that if the plaintiff succeeds he is awarded the costs of the proceedings, and if the defendant is successful, the plaintiff is ordered to pay the defendant's costs. This general rule is, nevertheless, subject to this proviso, *viz.*, the judge may order the successful party to pay the costs if he sees good cause for so doing. Costs are awarded under several heads. First, there are "party and party costs." These are the costs which are certified for by the taxing master, and are those which are considered to be actually essential in the conduct of the litigation. Of course, they are often very much less in amount than the actual money expended by the successful party, who will himself have to pay any special expenses incurred by his own solicitor. Secondly, there are "solicitor and client costs." These include many items not allowed under the first estimate. Generally speaking, they cover almost the whole of the expenses of the litigation. Thirdly, there are "all costs." This means that every item is allowed for. Trustees who are compelled to go into litigation are frequently indulged in this fashion.

Formerly no costs at all were allowed in criminal cases, but now, by an Act passed in 1908, a court before which an indictable offence is tried may make an order as to the payment of costs out of the county or borough funds, according to a scale laid under the regulations of the Home Office, or an unsuccessful prosecutor or defendant (or prisoner) may be ordered to pay personally the costs incurred. Again, by the 1909 Prisoners' Defence Act, 1903, the court may allow a prisoner or defendant to have legal assistance in the conduct of his defence, and it will provide for the costs of such defence.

NEW.—There is a technical distinction between the terms "prisoner" and "defendant." The former is used when the accused is charged with a felony (*q.v.*), and the latter when the charge is a misdemeanour (*q.v.*).

COTO BARK.—The name of the South American tree producing this bark is not known. The bark has an aromatic odour and a bitter taste. It was formerly used medicinally in cases of neuralgia.

COTTON.—This valuable fibre is obtained from various species of *Gossypium*, a genus of plants belonging to the order *Malvaceae*. These abound in the United States, and in India, and are also cultivated in Egypt, East and West Africa, Brazil, the Argentine Republic, the West Indies, and the Guiana River Colony. The cotton is the downy coating of the seeds, from which the fibre is separated by means of a cotton-gin. It is then pressed

by hydraulic power into bales, varying from 250 to 700 lbs in size. A bland oil is extracted from the seeds, and the residue is used as a cattle food.

There are various classifications of cotton, and samples of every class are kept as standards for reference by the Liverpool Cotton-brokers' Association. The chief supplies come from the United States, but the cotton famine produced by the American Civil War (1861-65) led to the opening up of the Indian market, which has been growing in importance ever since. America still supplies the finest and most silky long staple cotton. Egypt exports increasing quantities every year, the brown variety being soft and silky, while the white is usually hard and harsh. The cotton imported from Brazil is also harsh in staple, and that from the East Indies is of the most inferior quality. Every effort is made to encourage the cultivation of cotton in the British Empire, and the imports into England from various British possessions are rapidly increasing in value. According to the statistics of the Board of Trade, British commerce in cotton and cotton goods is almost equal to that of the rest of the world collectively, England's position as the leading cotton-manufacturing country having been unchallenged since the introduction of the industry. There are considerable imports of cotton waste as the tremendous quantity of refuse obtained from the English mills is still insufficient to supply the demand. Common carpets, counterpanes, wicks, twine, and wadding are some of the most important articles manufactured from it.

As to the use of cotton in the manufacture of explosives, see *GUN COTTON*.

COULISSE.—This is the unofficial market on the Paris Bourse, consisting in the main of high-class firms and arbitrage houses. It is a much larger organisation than the *agents de change*, or official members of the Parquet, but it is less responsible. The members of the Coulisse are called "Coulissiers."

COUNCIL DRAFTS.—Drafts issued by the English Government upon the Indian Government, and payable at the banks of India. They are issued to prevent the frequent transmission of bullion from one country to the other.

COUNTERCLAIM.—This is the name given to a cross claim which is set up by a defendant in an action brought by a plaintiff in the High Court or in a county court. It is not at all necessary that a counterclaim should have anything to do with the plaintiff's claim, in fact, it may be totally distinct from it. In reality, it is in the nature of a fresh action which is only brought about owing to the plaintiff's having commenced an action. In this respect a counterclaim differs from a set-off (*q.v.*). It is for the purpose of avoiding a multiplicity of actions that different causes of action are now allowed to be tried at one and the same time, so long as they are between the same parties.

COUNTERFEIT COINS.—(See *BASE COINS*.)

COUNTERMAND OF PAYMENT.—An order made by a customer forbidding his banker to pay one or more cheques issued by his customer. Unless such an order is given, a banker who refuses to honour his customer's cheque, provided the customer has funds to meet it, or has an arrangement as to an overdraft, is liable to an action for damages. A countermand of payment can be given only by the drawer, but if the holder of a cheque loses it, a notice given by him to that effect would put

and check errors in the cashier's records, and so save time and worry in the daily balancing of his cash. Receipts would also be required for the cheques sent out, and, when they came to hand, they would be filed away to serve as vouchers for the accuracy of the relative entries in the cash book. *Some* houses prefer to take these receipts on forms printed at the foot or on the back of their cheques, and then the receipts reach them through their clerk after the cheques are paid.

In a business where the daily remittances from customers were many, separate *cash received books* could be kept by assistant cash clerks. The book would be divided to correspond to the sales order, to which the cash entries would be posted, and alternative sets could be provided in the same way as with the journals. A separate *payments book* might be used from which the cash postings to the creditors' ledger would be made. A *general cash book* would then be kept by the cashier in charge. In that he would enter only the totals of the other cash books, together with such receipts and payments as the other cash books were not needed to record. This book would show what cheques were in hand and at the bank, and the entries in it would be posted by the person entrusted with the keeping of the confidential accounts.

4. A Scheme of Checks. Before they are entered in the books, invoices inwards and outwards should be checked with the goods they represent, with the orders given or received, and in regard to the correctness of extensions and additions. If the business books were fully and regularly audited by outside accountants, a large part of the other checking might be left to them alone, but, for customers' accounts at least, an independent "calling back" of entries and postings has to be carried through before the statements of accounts are rendered. A reliable member of the office staff may be appointed *inside audit clerk*, and held responsible for going over all the work, checking invoices to journals, receipts to cash books, and journals and cash books to the ledgers. But, if special checking clerks are not employed, the work must be shared round, the rule being observed as far as possible, that ledger and journal keepers shall be set to call back others' work, and not their own. Trial balances ought to be made monthly or at frequent intervals, so that errors shall not be left to be discovered and rectified in the press of work at the close of the trading period. With this aim the journals can be kept in a columnar form that will make it practicable to *test each ledger separately*. These tests must not be left to the ledger clerks themselves.

Of payments made otherwise than by cheque wages will probably be the chief. They should be made from *note books or drafts* written up and signed by person who take no hand whatever in the paying, and the money required each pay-day should be obtained from the bank by a cheque drawn specially for the purpose. *Petty disbursements* are usually made from a fund kept by a junior cashier, and there is refunded to him, preferably, by cheque weekly or monthly, the exact amount of the pay-out vouchers he produces. At the same time his balance in hand is checked. Other disbursements may be made in coin, or notes, or postal orders, especially if they are of small amount, but the safest course is for *all outward payments to be made by cheque* and for all receipts to be banked each day. Not only does this

procedure simplify the keeping of the cash, but it brings all outgoings under the notice of principals when the cheques are signed. In that way opportunities are lessened for the covering up of irregularities and fraud. For a similar reason the clerks that keep the ledgers should take no part in the receiving and paying of accounts, but with a small staff this ideal division of duties cannot be secured, and the best arrangement that circumstances permit has to serve instead.

4. Credit and Finance is a department of counting-house duties that may best be controlled by a principal of the business, or by assistants in charge of different sections of this work, and responsible to the principal himself. The department must keep itself posted up regarding the money lying out in customers' accounts and absorbed in stocks of goods. There must be held constantly in view the relation of this locked-up cash to the turnover of the business and to the working capital at its command. *Outstanding book-debts and excessive stocks* must not be allowed to swallow up the liquid capital that the business needs for meeting its liabilities as they fall due. *All orders for purchases* should be reported to the controller of finance, or should be passed to him to be signed with his authority before they are despatched. He can then have records made of all engagements entered into, and of when they will mature. From the accounts kept of purchases and sales *monthly estimates of stocks on hand* can be prepared. Each buyer may then be informed from time to time of his position in this respect, and, if necessary, held down to an average stock commensurate with the turnover he is doing.

Orders coming in from customers should all be marked with this department's *authorisation of credit* before they are passed on for execution. It will be with backward payers only that difficulty will arise, and it may happen that new orders must be refused or held over until arrears of previous accounts are paid. When the monthly statements are prepared those of *accounts that are overdue* must be picked out to be dealt with by the financial head, or by someone under his instructions. Accounts due to creditors should also be referred to him or his department for the *payments to be sanctioned* before the cheques are drawn. The state of the *bank account* is his particular concern; and, where special arrangements for accommodation by the bank were necessary, it would be for him to see that they were made.

5. Correspondence. A large *incoming mail* will require that several responsible persons shall open it, so that its contents may be distributed without confusion and delay. As the letters are opened they will be sorted in batches according to their nature. Enquiries, orders, remittances, complaints, invoices, statements, quotations and letters from suppliers of goods, will all be kept distinct, and some of them probably stamped to indicate their contents or enclosures. They will also be stamped with the date of receipt, and with blanks that, when filled, will tell when each letter was answered or otherwise dealt with, and by whom. They should be listed under senders' surnames and towns in a *letters received book* or on sheets, which will show where the letters go to, and who then takes them in charge.

All letters received by the morning mails should be given attention that day, if possible—but those coming in during the afternoon may, unless urgent,

be left to the following day. Certain clerks will be responsible for despatching outward letters at the times appointed. A *post book* will keep record of what letters are sent off, and when, and will account for the postage stamps used each day.

The character of the business engaged in will probably determine if any letters received are to be handed on from the office to other departments, or if only extracts and instruction sheets are to be issued for attention. Whichever practice is followed, there should be *only one correspondence staff* to deal with customers' communications. This prevents duplication and overlapping, and it gives unity of treatment. Besides, correspondence with customers, or would-be customers, is always highly important. It should, therefore, always be conducted by an efficient staff under a trained and capable head.

Nowadays the letters and other communications of the best houses are typed—usually from shorthand notes. Not only does the *typewriter* save time in the putting of the letter on paper and in the copying of it, but its work looks better and is easier to read than any but the best handwritten matter. Printed forms with blanks to be filled in are used where suitable, but, except in unimportant formalities, a *carbon* or *other copy* must be kept of every document sent out. The copies are filed for future reference along with any inward letters that they answer, and for this purpose *vertical filing* is the best. There ought to be but one group of filing cabinets for the whole of the letters of the business, as separate files in different parts of the establishment are not likely to be kept in thorough order. A *central filing system* also prevents portions of the same correspondence finding resting places in different quarters, and leaves no room for doubt about where to look for any document required. Moreover, the most efficient service will probably be obtained only when a central typing staff is charged with all the correspondence of the house.

6 Lay-out and Equipment. A *public counter* will be necessary in the counting-house, and near it should be grouped those sections with which callers oftenest need to deal. Near it also should be located the *private rooms of principals*, so that seekers of interviews who are admitted may be expeditiously passed in and out. The answering of public and departmental telephones may be other work that the juniors here are called upon to do. From this counter at the entrance the body of the office may be in part shut off by a screen some five feet high, but partitions up to the ceiling and unnecessary doors and *hole-and-corner places* should be done away with. They waste space, obstruct communication, shut out light, and interrupt the view. Private offices will be required for interviews that it would be impolitic to hold openly. They are convenient, too, when with trying or pressing work on hand one seeks quietness and security from interruption. But the head that rings himself round with barriers cannot keep in first touch with the work of his subordinates. He misses many chances of seeing what goes on amongst them, and of keeping things running smoothly when, at times, they tend to go awry.

Another rule of arrangement is that *those whose duties interlap should be near each other*. Location of duties should be so planned that work taken up at one point shall *move forward in continuous line* through all the stages of its progress, that doubling back and wasteful movements to and fro shall be eliminated. It will probably be to best advantage

for desks to be arranged in rows in the middle of the office, accessible from all sides and receiving light from the left. Shelves and cabinets can be placed against the walls. *Storage rooms* should be provided to which old books and papers can be removed, and *safes* will be needed to protect the most valuable documents and books from fire.

The typing and filing staff must be so situated that it can be reached easily from all parts of the counting-house and beyond. Round the typewriters and the calculating machines glass screens may be necessary in order to deaden the noise. For all purposes *desks with bare tops* are to be recommended, with few drawers and pigeon holes in which to harbour miscellaneous papers and collections of odds and ends. For many purposes high desks are better than low ones, because they allow the user to stand up comfortably to his work, and to sit when he needs a change. Generally, the counting-house should be a place where the staff can get through its duties free from avoidable hindrances and discomforts.

7. Administration. Definite duties must be assigned to each person, or to each person and his or her assistants, and he or she must be *held accountable for the duties being carried out*. Still, a state of affairs in which only one person knows some essential job must never be allowed. Every clerk engaged on important work should, if possible, have a double engaged on similar work, or an understudy, or a predecessor in the job, who can step in and carry on in the first clerk's absence. It should be the law—written or unwritten, but always understood—that certain *stages of the work are to be completed by appointed times*. Cash should be entered and balanced on the day it is received or paid, sales journals written up on the day after the goods are sent, the postings made on the next again. It might be the rule that each week's totals in the journals be made, dissected, and summarised by Wednesday in the following week; that customers' statements be posted by the 10th of every month. Some recognised *standards of neatness and accuracy and speed* should be required, so that anything falling below these will, as a matter of course, be rated as deficient, anything excelling them, known and felt to be commendable. Supervision should see that the younger members of the staff are being carefully trained.

The three main counting-house divisions—accounts, cash, and correspondence—will each have a competent head. There may be a *manager with authority over all*—the secretary, perhaps, in the case of a company—or the leading one of the three heads named may take general control. Respect and loyalty towards a chief will be drawn out by the qualities of character that deserve them; and a leader who is fair and reasonable, as well as capable, will command better service than will a martinet. Organisation means correlation of duties and harmony of effort. A staff should be so handled that it pulls together with efficiency, like a well-trained and nicely balanced team.

COUNTRY BANK NOTES.—These are the notes which are issued by a *country bank*, which has the right to issue them (see *BANK OF ISSUE*), as distinguished from the Bank of England. When tendered in payment of a debt, they constitute good legal tender (*q.v.*), unless the creditor or the person to whom they are offered objects to receive them on the ground that they are country bank notes.

If a country bank note is accepted in payment or in payment for goods at the actual time of a sale, the transferee must bear the loss, if the bank fails, when the note is cashed, unless before the holder presents the note for payment, unless he can prove that the transferor knew that the banker had failed before he came to the note to him. But, on the other hand, if the note was accepted in payment of a pre-existing debt, and the banker failed before presentation of the note, the debt is not discharged, and the transferor is still liable to the transferee, provided that the transferee presented the note for payment without delay and gave due notice of its dishonour to the transferor.

The receipt of a country bank note in payment of a debt should, therefore, present the note for payment at once, or not later than the following day, otherwise he will have no recourse against the person who gave it to him, in the event of the note being dishonoured. A bank note is a promissory note by a banker, and the giving of notice of dishonour is regulated by the Bills of Exchange Act, 1882. If the person giving and the person to receive the note are in the same town, the notice should be received on the day following the day of dishonour. If in different towns, the notice should be despatched not later than the day following the day of dishonour. (See DISHONOUR.)

Similarly, if a customer pays the notes of another bank into his own account, the notes should be presented without delay, so that in the event of non-payment the banker may be entitled to charge the amount to the account of the customer. Also a banker must be diligent in presenting the notes, otherwise he will be liable, in the absence of any arrangement to the contrary, for any loss which arises.

Bank notes are presented for clearing like cheques in the daily clearing, if the issuing bank is in the same town or district as the collecting bank. Otherwise they are either collected through London or remitted direct.

When a person changes a bank note, he is liable for the amount of the same to the person who took it, if the note is dishonoured, unless the latter did not put it into circulation or present it for payment within a reasonable time.

Banks of issue re-issue their notes constantly until they become unfit, through constant usage, for circulation. In this respect the country banks differ from the Bank of England, which never re-issues its notes when once they have been returned to the Bank.

When notes are received which prove to be forgery, the amount can be recovered from the person from whom they were obtained.

COUNTRY CLEARING.—The section of the business of the London Bankers' Clearing House which includes of cheques and country bank notes dealt with by the House and not included in the Town Clearing or Metropolitan Clearing, that is, cheques on the country correspondents of the London bankers.

Country bankers who avail themselves of the clearing omit their country cheques and country bank notes to their own London agent, or London office, and stamp a mark on their own names and addresses and the name and address of their London agent or head office.

When a country banker does not intend to pay a cheque received by him from his London agent for collection, he must, by the rules of the Clearing

House, return it direct to the country or branch bank whose name and address is across it, and this must be done by return of post; it cannot be held over till next day. (See CLEARING HOUSE.)

COUNTY BOROUGH.—A county borough is a town consisting of not less than 50,000 inhabitants, which has been admitted to this special rank after application to the Local Government Board. There were sixty-one towns constituted as county boroughs by the Local Government Act, 1888, but these have since been added to. A county borough is entirely independent of the county council, and is, in fact, the highest form of self-government known in the United Kingdom. It is ruled entirely, as to municipal and local matters, by its own borough council, which enjoys not only the powers of the ordinary council of a municipal borough granted by the Municipal Corporation Act of 1882, but also the special powers of the County Councils Act of 1888, and all subsequent amending Acts. A county borough can make arrangements with the county council as to sharing expenditure in connection with the administration of police matters, and also as to asylums. If the county borough is one in which no court of assize is held, it must contribute towards the expenses of the assizes. The county boroughs in England and Wales are: Barrow, Bath, Birkenhead, Birmingham, Blackburn, Blackpool, Bolton, Bootle, Bournemouth, Bradford, Brighton, Bristol, Burnley, Burton-on-Trent, Bury, Canterbury, Cardiff, Chester, Coventry, Croydon, Derby, Devonport, Dudley, Exeter, Gateshead, Gloucester, Grimsby, Halifax, Hastings, Huddersfield, Hull, Ipswich, Leeds, Leicester, Lincoln, Liverpool, Manchester, Middlesbrough, Newcastle-on-Tyne, Newport, Northampton, Norwich, Nottingham, Oldham, Oxford, Plymouth, Portsmouth, Preston, Reading, Rochdale, Rotherham, St. Helens, Salford, Sheffield, Southampton, Southport, South Shields, Stockport, Stoke (including Burslem), Hanley, Longton, Stoke, and the urban districts of Fenton and Tunstall), Sunderland, Swansea, Tynemouth, Walsall, Warrington, West Bromwich, West Ham, West Hartlepool, Wigan, Wolverhampton, Worcester, Yarmouth, and York.

COUNTY COUNCIL.—England, Wales, and Scotland are divided into counties. The word "county" is Norman, from *comité*, or *count*. The older word is "shire"—that which is shorn off or divided. The counties were originally managed, as far as their local government was concerned, by the sheriff of the county who presided over the ancient county court, a court which has no relation whatever with the modern county court, which was established in the reign of Queen Victoria to settle differences between small debtors and creditors. The local management of the different parts of the county was in the hands of the county justices of the peace.

By an Act passed in 1828, justices were authorised to suggest what townships or places would form proper divisions for special sessions. No new divisions were to be sanctioned unless five justices resided therein. The purchase, control, and management of shire, or county, halls was in the hands of the justices. To certain cities and towns has been granted the right of being counties in themselves. Such counties of cities and towns have their own sheriffs, their own corporation, and their own management, quite separate and distinct from the county in which they are geographically situated. The cities and towns which are counties in themselves are London, Chester, Bristol, Coventry

Canterbury, Exeter, Gloucester, Lichfield, Norwich, Worcester, York, Kingston-upon-Hull, Nottingham, Newcastle-upon-Tyne, Poole, and Southampton.

The great Act of 1888 regulates the local government of counties to-day. It is entitled "An Act to amend the law relating to local government in England and Wales." The Act establishes a county council in every administrative county. There is a chairman, together with aldermen and councillors. This council manages the administrative and financial affairs of the county. The following persons may be elected as aldermen or councillors: Clergymen, ministers, peers of the realm, and other Parliamentary voters. The aldermen are called county aldermen, and the councillors, county councillors. The county councillors are elected for three years. The chairman becomes a justice of the peace by virtue of his office.

The duties of the county council are: To make and collect the county rate, police rate, and expend the same; to borrow money; to pass the accounts of the county treasurer; to take charge of the shire-hall, county hall, assize court, judges' lodgings, court houses, justice rooms, police stations, county buildings, works, and property; to grant music, dancing, and racecourse licences; to provide and maintain county asylums for pauper lunatics, reformatory, and industrial schools; to repair and maintain roads and bridges; to settle the fees and costs of inspectors and analysts; to appoint, remove, and pay all the county officers, except the clerk of the peace and the clerks of the justices; to appoint the polling districts for Parliamentary elections, and the courts of revising barristers; to execute the Acts which relate to contagious diseases of animals, destructive insects, fish conservancy, wild birds, weights and measures, gas meters, and the Local Stamp Act, 1869; to deal with matters arising out of the Riot (Damage) Act, 1886; to register the rules of scientific societies, charitable gifts, places of religious worship, and the rules of loan societies. The Local Stamp Act referred to above authorises the county council to collect fees and penalties by means of stamps and to sell stamps for that purpose. The Riot (Damage) Act enables the county council to pay compensation out of the police rate to any householder who has suffered damage to property through riots.

The county council appoints the county coroner (see CORONER), grants licences for stage plays, executes the provisions of the Explosives Act, 1875. This Act is an important one, and gives the county council power to license factories where explosives are made, and to register the places where the dangerous goods are sold, and to regulate the sale. The county council shares, with the justices of the peace, in the management of the county police. The police committee is formed of county councillors and justices of the peace, and is called the standing joint committee. The county council also enforces the provisions of the Rivers Pollution Prevention Act, 1876, and has the right to oppose bills in Parliament, and to make by-laws. (See BY-LAWS.) The county council can also appoint a medical officer of health.

The county council receives from the Treasury of the nation the following payments: Proceeds of licences for the sale of intoxicating liquor on and off the premises; also the proceeds of several other licences, such as game dealers, dogs, guns, tobacco, carriages, and hawkers. Power is given to the

county council to issue all such licences as are here mentioned, together with other licences mentioned in the Act. A portion of the probate duty is also granted to every county council. Out of the Imperial revenue so received, the county council must pay certain costs and charges, including costs of poor law union officers, police pay and charges, teachers in poor law schools, vaccination, medical officer of health, registrars of births and deaths, pauper lunatics.

The Secretary of State has power to see that the police in any county are maintained in a state of efficiency. Certain boroughs in each county have special privileges over others, and are called county boroughs. Such boroughs must either be old county boroughs or must have a population of at least 50,000. The mayor, aldermen, and burgesses (voters) of a county borough have all the powers, duties, and liabilities of a county council. There were sixty-one county boroughs at the time the Act was passed. Bath, Birmingham, Cardiff, Croydon, Exeter, Liverpool, and West Ham are typical examples. Some boroughs in counties are called larger quarter sessions boroughs, with a population of 10,000 and upwards; other boroughs have a separate commission of the peace. The county of London receives special treatment. The metropolis is an administrative county, and is carved out of portions of the counties of Middlesex, Surrey, and Kent. It has a sheriff, justices of the peace, and a court of quarter sessions. The chairman of the justices must be a barrister of ten years' standing.

The City of London is also a county, and, in addition to all its ancient privileges, it possesses all the rights which the Act of 1888 gives to all counties. Several other parts of the county are treated as separate administrative counties, e.g., the ridings of Yorkshire, the divisions of Lincolnshire, the eastern and western divisions of Sussex, and others. A county council may borrow with the consent of the Local Government Board, and may create and issue county stock. The financial year of a county council ends on March 31st. The law of elections applies to the election of county councillors, just as it does to the election of Members of Parliament. The council of each county is a body corporate, with a common seal and perpetual succession.

The London County Council has no authority over the Metropolitan Police or the City of London Police. All other counties manage their own police. The clerk of the peace of every county must make up a register of all persons registered as burgesses, or county electors, for the purpose of the election of the county authority. The qualification for voters is called the "Ten pounds occupation qualification"; the voter must be an occupier, owner, or tenant, of some land or house in a parish, of the clear yearly value of not less than £10. The ordinary day of the election of county councillors shall be between the 1st and the 8th March, where no date is fixed, it shall be March 8th.

Every county council is the local authority for carrying on the elementary and higher state education of the people. The following authorities within the county are entrusted with the powers and duties of a school committee for directing elementary education only: The council of a borough with a population exceeding 10,000, or of an urban district with a population of over 20,000. In 1903 the right was granted to county councils

to promote Bill in Parliament. The Local Government Act of 1888 had only given power to a county council to oppose Bills.

COUNTY COUNCILS' MEETINGS.—The proceedings of county councils, which were established by the Local Government Act, 1888, are governed partly by that Act and partly by the Municipal Corporations Act, 1882, which is the statutory authority for borough councils. The 1888 Act directs and empowers county councils to hold meetings and conduct its proceedings in like manner as the council of a borough divide into wards.

A county council must hold at least four quarterly meetings in each year to transact general (*i.e.*, statutory) business. The first quarterly meeting in a county council election year (which is every third year) must be held on March 16th, at noon, or on such other day within ten days of the ordinary date of retirement of county councillors (March 8th in every third year) as the council may fix. In any year which is not the election year, the first quarterly meeting shall be held on such day in March, April, or May as the council determines. (See County Councils [Elections] Act, 1891, and County Councils [Elections] Amendment Act, 1900.) The other three quarterly meetings must be held at such hour and on such days as the council at its meeting or by standing order determines. The meeting place may be within or without the county, as the council directs. The chairman of the council may call a meeting at any time, as also may any five members of the council when the chairman either refuses, or ignores for seven days a requisition presented to him for that purpose signed by five members. The five conveners need not be the same as the five signatories of the requisition.

Council meetings are to be called both by notice addressed to the council offices and by summons delivered by hand or registered post to members' residences, three clear days' notice being necessary in each case. The summons must be signed by the clerk of the council, and must specify the date, time, place, and business of the meeting. The notice on the offices must state the date, time, and place of the meeting. If the meeting is called by five members, they must sign the notice and state the business, if it is convened by the chairman, he must sign the notice, but he need not specify the business. It is also to deliver the summons on any member does not invalidate the meeting.

The chairman of county council meetings must be the chairman of the county council, if he is present, vice chairman if he is not present. Failing him, the vice chairman of the council must preside, if present. If he is also absent, the councillors present shall elect one of the aldermen present (if any), or failing an alderman then one of the councillors who is present.

The quorum necessary for ordinary purposes at council meetings is one-fourth of the whole number of the council, while for the making of by-laws the quorum is two-thirds of the whole number of the council. The quorum must be present, but need not vote. Subject to the quorum being present, all acts before the council when holding a meeting under the Act may be done and decided by the majority of such members of the council as are present and actually vote. The chairman, either of a council meeting or of a committee in time of a council casting vote, if the voting is equal, but he is entitled neither to his first nor to his casting vote if he is

peculiarly interested in the question. General business, *i.e.*, business prescribed by statute to be transacted at quarterly meetings, can be transacted at a quarterly meeting, even if not specified in the summons to attend that meeting; on the other hand, no business may be transacted at other than quarterly meetings, except what is specified in the summons to attend. Minutes of every meeting of the council must be kept and fairly entered in a minute book, and they must be confirmed either at the same meeting or at the next meeting, the confirmation being by signature of the chairman of the confirming meeting.

As regards procedure at meetings, county councils have statutory power to make and vary standing orders for the conduct of their proceedings, subject always to what is already provided in the Acts, as, for instance, the above regulations. In 1889 the Local Government Board issued suggestions for standing orders, and every county council has its own. By way of illustration, the following are a few provisions extracted from the standing orders of an important county in the south of England—

"The order of business at every meeting of the council shall be as follows—

"(1) The minutes of the last meeting of the council shall be read with a view to confirmation, provided that if a printed copy of the minutes has been sent three clear days previously to each member of the council, they shall be taken as read.

"(2) Business expressly required by statute to be done at the meeting.

"(3) Any correspondence, communications, or other business specially brought forward by direction of the chairman.

"(4) Business remaining from the last meeting (if any).

"(5) Reports of committees.

"(6) Notices of motion in the order in which they have been received.

"(7) Any other business.

"(8) On the days of the quarterly meetings of the council, the sitting shall be suspended from 1 o'clock till a quarter to two.

Chairmen of committees shall move the reception of their reports, and shall not occupy more than ten minutes for the purpose, except in special circumstances by leave of the chairman. On presentation of a report, the first motion shall be that it be received, and each recommendation shall then be separately put to the vote. They may be put from the chair without being formally moved and seconded. Every notice of motion must be in writing signed by the member giving it. It must be given to the clerk seven clear days before the meeting, and entered in a book to be kept in his office, which book shall be open to the inspection of every member of the council. If a motion be not moved by the member who gave notice of it, or by some other member on his behalf, it shall, unless postponed by leave of the council, be dropped, and cannot be moved without fresh notice. Notice of motion to rescind a resolution passed within the preceding six months, or to the same effect as a motion negatived within that period, must be specified in the summons, and must bear the names of ten additional members; but this does not apply to motions in pursuance of the report of a committee. A member moving 'that the council do now adjourn,' 'that the council do now proceed to the next business,' or 'that the debate be now

adjourned' may not speak for more than two minutes, and the seconder may not speak at all. In the case of the first motion, no debate is allowed; but in the case of the other two, the mover (only) of the resolution under discussion at the time is called on to speak. None of these motions may be repeated within half an hour, unless moved by the chairman. The closure motion requires not less than twenty members to vote for it before it can, even if carried, be applied. Questions shall be determined by show of hands, unless ten members demand a division, when the names for and against the motion shall be taken down in writing and entered on the minutes." (See COMMITTEES, CONDUCT OF MEETINGS)

COUNTY COURTS.—Courts called "County Courts" existed from very early times, but they were not courts of record, and fell into disuse. The county courts of the present day are entirely the creation of statute, for they were first established by the County Courts Act, 1846. They are now governed by the County Courts Act, 1888, as amended by the County Courts Acts, 1903 and 1919, and by the rules made thereunder by a Rule Committee, with the sanction of the High Court Rule Committee. The jurisdiction of the county courts has been and is being revised and extended with a view to making justice cheaper and easier to the lower and middle classes in disputes about small matters. The country is divided into county court districts, which are frequently grouped into circuits, the same judge then officiating for all the courts on the circuit. Some county courts have jurisdiction in bankruptcy, probate, and Admiralty causes. The judge must be a barrister of seven years' standing at least, and he is appointed by the Lord Chancellor. The salary of the judge has been fixed in the past at £1,500 per annum, in addition to out of pocket expenses for travelling. If he appointed a deputy he has had to pay for the same out of his own pocket. He has also been practically irremovable, however infirm or otherwise incapacitated from performing his duties, and no pension has been allowed to him, although in certain cases, if his retirement has been brought about through illness, an *ex gratia* grant up to the amount of £1,000 per annum has been made to him. A change has been made by recent legislation. The salary has been increased to £1,800, provision has been made for the payment by the Government for a deputy in certain circumstances, and a judge is now compulsorily retired at the age of 72—or, in exceptional cases, at 75—with a retiring pension which is dependent upon the number of years of service, as in the case of civil servants. Registrars and high bailiffs are other officials of importance in county courts. Registrars must be solicitors of five years' standing, and there is one for each court, the appointment resting with the judge. In some courts where a large business is done there are more registrars than one, as, for example, at the Westminster County Court. The high bailiff is also appointed for each district by the judge, no special qualification being necessary for this office.

The county court is a court of record, and its officers are generally immune from action for any act done by them *bona fide* in respect of any errors and technicalities; but bailiffs are in the same position as a sheriff in the High Court, and actions can be brought against such for neglect of duty. Any person wilfully insulting a judge, officer, jury, or witness while at or going to or from the court,

or any person wilfully misbehaving in court, may be committed and fined for contempt (*q.v.*). Perjury (*q.v.*) committed in a county court is, of course, punishable as a criminal offence.

Jurisdiction.—County courts have jurisdiction in personal actions when the debt, demand, or damage claimed is not more than £100; in partnership and executorship actions where the amount sought to be recovered does not exceed that figure; in ejectment actions where neither the annual rent nor the value of property exceeds £100, and generally in equity for administration, specific performance, foreclosure, redemption, etc., where the value of the estate, property sold, or mortgage, as the case may be, does not exceed £500. A county court has, no original jurisdiction over actions for breach of promise of marriage, libel, slander, or seduction, or in those cases in which the title to any toll, fare, market, or franchise is in question. In spite of this restriction, county courts may try King's Bench actions by written consent of both parties. When application for judgment under Order XIV (*q.v.*) is made in the High Court, and when the Master thinks the defendant has a *prima facie* defence, he generally orders the case to be remitted to the county court having jurisdiction in the matter, *i.e.*, when the amount in dispute is under £100, or when he thinks that it is a case which ought to be so remitted for trial. These are called "remitted actions," and these words are indorsed upon the particulars of claim and other documents. The order remitting to the county court is drawn up and lodged at the county court ordered to try the action, together with a copy of the writ of summons and affidavits used in the High Court. Particulars of claim have also to be filed, fees paid, and other small details (too numerous to mention here) to be carried out. The plaintiff generally loses his costs of the proceedings in the High Court, unless the county court judge orders the payment of all costs in the action. This is generally done, having regard to the saving of costs. In every action or suit, of whatever nature where the claim exceeds £5, and in all other actions by leave of the judge, a jury may be demanded. The jurymen to try cases in the county court are eight in number. (But see under JURY as to the restriction of this right of trial by jury.) If the plaintiff cares to abate his claim in any action, so as to bring the matter within the county court jurisdiction, he is entitled to do so. Thus, if the claim is really £120, the plaintiff may abandon the excess over £100 and make his claim for £100 only.

As to place of action, this may be the court within the districts of which the defendant or one of the defendants dwells or carries on business at the time of the commencement of the action, or by leave of the judge or registrar the court within the district of which the defendant or one of the defendants dwell or carried on business at any time within six months before the commencement, or with the like leave in the court the district of which the cause of action or claim wholly or in part arose. But actions as to land and partnership actions are to be tried in the court where the subject-matter of the action is situated. If the plaintiff and any defendant dwell or carry on business in any of the metropolitan districts, though not necessarily in the same, the action may be commenced in the court of the district in which either the plaintiff or defendant carries on business. County courts which exceed or refuse to exercise their powers may be forced or compelled by the

kin's, French, *Pratition*, in the former case by writ of prohibition (*q.v.*), in the latter by a writ of mandamus (*q.v.*).

Parties. If there is any substantial right of the plaintiff against the defendant, it is practically impossible for it to go undressed, owing to any technical errors in the choice of parties. The rules make provision for dealing with various special cases several of which are very important; thus, in the case of joint defendant, if only one of the joint defendants can be served, the action may nevertheless proceed against him, but the plaintiff must avail himself of this privilege with caution, for by taking judgment against one joint contractor, the plaintiff will be precluded from suing the others. Partners may sue and be sued in their individual names, or in their firm name. If a firm are plaintiffs, the names and addresses of the partners must be disclosed if required by the defendants in writing, and the court may order them to disclose, on oath, where there are other plaintiffs or defendants. Numerous persons having the same interest, e.g. members of an unincorporated club, may sue or be sued by one or more of them on behalf of or for the benefit of all persons so interested. When a person so desires to defend (and is so served), he must apply to the court for leave. An infant sues by his next friend, and a lunatic, if defended, by his committee (*q.v.*), if not so found, by his next friend. An infant is sued in his own name, but should defend by his committee; if not so found, by a guardian *ad litem*, appointed for that purpose. When any person sues or is sued in a representative capacity, i.e. not on his own account, this representative capacity must be stated in the document before the court.

Proceedings Before Trial. An action is begun by filing a "process," which may be obtained gratis at the county court office. It is a form in which must be entered the names, addresses and description of the parties and particulars of the action, the remedy or damages claimed, and the name and address of the plaintiff's solicitor (if any). It has to be required, as in the cases mentioned above, a summons may issue, although the actual place of residence or business of the defendant cannot be given. An affidavit of the plaintiff showing the ground of the application must also be filed. Leave will not be granted when the defendant is a domestic or menial servant, labourer, etc., except in the specified cases set forth in the rules. A fee of 1s. in the £ is paid on entry of the plaint (no extra fee on any case over £20) and if the claim exceeds £2 ordinary summonses must be served by the bailiff, for which there is charged an additional fee of 1s. If the claim exceeds £2, the plaintiff must file with the "process" particulars of his claim or demand, together with as many copies as there are parties, and an additional copy for the use of the judge. When a summons is issued, the plaintiff is handed what is termed "a plaint note," which is an official acknowledgment of the fee paid the day when the summons is returnable, and of the entry of the action. This document should be carefully kept, as it must be produced when the hearing fee is paid, and also to the court before the case comes on for hearing. Should the plaint note be lost or mislaid, a fresh one can always be obtained on payment of a small fee, money being applied to the registrar and stating the fact upon affidavit. It must also be produced before a copy paid into court can be withdrawn.

The summons is under the seal of the court, and is served by a bailiff of the court, whose indorsement is sufficient proof of the service. If the summons cannot be served, a successive summons may be issued and served by the plaintiff or his solicitor. If a default summons (*q.v.*) is required, the plaintiff must in all cases (whether the claim is above £2 or not) file particulars as previously mentioned, together with an affidavit verifying the debt. The summons is issued without leave if the claim exceeds £5, and under that amount if the claim is in respect of goods sold and delivered, or let on hire to the defendant for his trade, profession, or calling. For other cases (and, of course, always if the defendant is outside the district) leave is required, and it will only be given if the affidavit contains full particulars as to sex and condition of the defendant, nor at all if the defendant is a domestic or menial servant, labourer, etc. A default summons (*q.v.*) may be served either by the court or by the plaintiff or his solicitor. If the defendant wishes to dispute the claim, he must file a notice within eight days after service, otherwise the plaintiff may sign summary judgment. Notice of defence prevents the plaintiff getting judgment before the return day, and by this the defendant waives any irregularity in the process, i.e. insufficiency of particulars, etc., and the trial then takes place in the ordinary way, if, however, the plaintiff appears and the defendant does not, judgment will be entered without further proof. The following matters are of importance prior to trial—

Payment into Court. The defendant may pay into court such sum as he may think fit (and costs proportionate thereto) in satisfaction of the claim; and if payment is made five clear days before the return day (ten clear days, if the claim exceeds £50), it may be accompanied with a denial of liability and then it will not operate as an admission. After that period and at any time before hearing, money may be paid in, but with a denial of liability only by leave of the court. The plaintiff may accept the amount, and if he does so a reasonable time before the return day, the defendant will not be responsible for any further costs. Payment into court also relieves the defendant from costs up to the time of paying in, if it is made before the time above mentioned, and the plaintiff does not recover more than the amount paid in. If money is paid in after that time, the court may make the plaintiff a discretionary allowance for costs.

Statement of Defence. The defendant is not compelled to put in any statement of his defence, but there is a rule that he may file a statement disclaiming any interest in the subject-matter in the action, or he may deny or admit any of the statements contained in the particulars of claim, or raise any question of law on such statements without admitting the truth of them. A copy of such defence must be filed, together with as many copies as there are plaintiffs, an additional one for the use of the court. The registrar must send to the plaintiff, within twenty-four hours, a sealed copy of such defence.

Notice of Special Defence and Set-Off. There are certain special defences which cannot be set up at the trial without the plaintiff's consent, unless the defendant has given notice in writing of his intention to set up such special defence or set-off to the registrar. Such notices are filed in the manner prescribed as in the foregoing paragraph (*Statement of Defence*), and must be filed at least five clear days

before the return day, but ten clear days if the claim is over £50.

Counterclaim. The defendant may counterclaim in respect of any matter he has against the plaintiff, even though if enforced separately, it would have been beyond the local jurisdiction of the court, and the counterclaim may exceed £100 if each of the items is under £100. A counterclaim must be filed like a notice of special defence. On the trial, a claim and a counterclaim can be disposed of, and judgment given for the balance either way.

Contribution and Indemnity. The defendant, it entitled to this from anyone not a party, may file a notice within the time stated above. It is served by the court on the person affected, and the matter is disposed of at the trial.

Documents. Full discovery and inspection of documents may be obtained by either party upon an order of the court being obtained.

Trial and Judgment. Parties appear personally or by solicitor or counsel, a hearing fee of 2s. in the £ being payable before the case is heard. This is reduced by one-half if the defendant does not appear, and must be paid by the plaintiff before he can sign judgment, which he may do by default, if he does not appear in an action on contract. In an action of tort, the plaintiff must prove his case whether the defendant appears or not. Judgment obtained by one party in the absence of the other may be set aside by the judge either then or at any subsequent court and a new trial granted on such terms as he shall think fit. The court may at the trial give judgment for either party or may nonsuit the plaintiff, thus leaving it open to him to bring a fresh action. The court has also power to grant injunctions. When the matter in dispute does not involve an amount exceeding £5, the registrar may adjudicate upon it by permission of the judge. Either party may have a jury, by right, if the sum in dispute exceeds £5, and the judge may allow a jury in any case if he thinks it proper to do so. The jury consists of eight persons. The privilege of trial by jury costs 8s. (But see now the Jury Act, 1918, referred to under JURY.)

Various matters connected with procedure, so far as they are necessary to be described, are referred to under separate headings.

Enforcement of Judgments. Judgments may be enforced in various ways, i.e., by execution, by garnishee summons, or bankruptcy proceedings. Two matters consequent on judgment are, however, of particular importance, viz., administration orders and judgment summonses. An administration order can be made on a debtor's application, if judgment has been obtained against him in the county court which he is unable to satisfy, and he alleges that his whole indebtedness does not exceed £50. The debtor files a request, statement of affairs, and a list of creditors, with an affidavit in support. The request must state whether he proposes payment in full or a composition. Particulars of instalments of any composition must be stated. The application is heard after notice to creditors, and any creditor can object to an order. No order is made under which payment by instalments would, without default, extend to more than six years. The effect of the order is to suspend all remedies against the person and estate of the debtor, except by leave of the court which made the order. The order is enforced by judgment summonses. It may be set aside or rescinded. A judgment summons is obtained by filing a "præcipe" either in the court

where the judgment was obtained or in the court within the jurisdiction of which the debtor resides. On proof being given that the debtor either has or since the date of the order or judgment has, had the means to pay the amount and has nevertheless refused to pay it, the judge may commit him for a period not exceeding six weeks. The committal may, however, be suspended if the debtor keeps up the instalments of the debt specified by the judge.

New Trial, Stay of Execution, and Appeal. The judge may in any action or matter, whether tried by himself or by jury, order a new trial on certain well-settled and ascertained grounds, e.g., verdict against the weight of evidence, or damages manifestly inadequate or excessive, or misdirection, or misconduct of the jury.

Application may be made on the day of trial if both parties are present, or (on seven clear days' notice) at the first court after the expiration of twelve clear days from such day. If the judge, on such an application, misapplies law or equity, an appeal lies from him to a divisional court (q.v.). If a new trial is ordered, the judge may stay proceedings pending it. An unsuccessful party has also the right to appeal from the judge's decision on a point of law or equity, or upon the admission or rejection of any evidence. Such an appeal lies of right if the subject-matter of the action exceeds £20, if £20 or under, only by leave of the judge. The appeal is to a divisional court, eight days' notice of motion (which must state the ground for the appeal) being given, and the appeal being entered within twenty-one days after the judgment, order, or finding complained of.

It has been proposed to extend the jurisdiction as to appeals, by lowering the amount in dispute and by allowing appeals on questions of fact as well as on points of law. A bill with this object was before Parliament as long ago as 1911, but up to 1920 nothing has been effected.

COUPONS.—As is explained under the heading of BEARER SECURITIES, interest and dividends on stocks or shares issued in this shape are collected by means of coupons, i.e., warrants attached to the bond or bearer share which have to be cut off on the due date and presented to the company or paying bank for encashment. Where interest is payable at fixed dates, the date of payment is imprinted on each coupon, where it is uncertain, as in the case of the ordinary shares of mining or other companies not paying regular dividends, the dates of payment are announced by advertisement. In presenting coupons for payment, it is customary to fill up a listing form (see specimen on page 474) and to leave the coupon at the paying office three or four days for examination, after which the amount due, less income tax, is paid out.

COUPON SHEET.—A connected series of coupons given in advance with transferable bonds, in order that they may be cut off from time to time and presented for payment as the dividends fall due. The last portion of a coupon sheet is a form of certificate, called a "talon," which can be exchanged for a further series of coupons as soon as those on the coupon sheet have all been presented.

COURSE OF EXCHANGE.—This is the technical name of the price list of bills, drafts, and cheques, estimated in the currencies of foreign countries, compiled on Tuesdays and Thursdays of each week, by the principal bill brokers, who meet on those days at the Royal Exchange, London. It is issued

COURT OF CASSATION.—(See CASSATION, COURT OF)

COURT OF RECORD.—A court of which the judgments are kept or recorded, and of which the judgments prove themselves on production. Any judgment which is pronounced by a court of record stands until it is set aside by a court of superior jurisdiction. The following are courts of record: The High Court, courts of assize and quarter sessions, the Mayor's Court, county courts, and various minor courts. Petty sessional courts, *i.e.*, the ordinary police courts, are not courts of record.

COURT OF SESSION.—This is the Court which in Scotland corresponds to the High Court of Justice in England. It dates from 1532, and is now composed of thirteen members—the Lord President, a Lord Justice Clerk, and eleven Lords Ordinary. The court is divided into an inner and an outer house. In the former there are judges sitting singly, as judges at *nisi prius* in England. The latter, *i.e.*, the outer house, sits in two divisions of four judges each, the Lord President presiding over one division and the Lord Justice Clerk over the other. This corresponds to the English Court of Appeal. There is no appeal from its decisions except to the House of Lords. There has never been in Scotland the great division between law and equity as in England. In trying civil cases, the jury consists of twelve persons, but in criminal cases, the number of the jury in Scotland is fifteen.

COVADA.—(See FOREIGN WEIGHTS AND MEASURES—BRAZIL.)

COVENANT.—The word "covenant" signifies an undertaking contained in a deed, *i.e.*, a contract under seal, to do or to refrain from doing a certain act. It is, in fact, one of the terms of the contract. Thus, in a lease, the landlord and the tenant respectively agree to carry out certain terms. Each of these, when the lease is by deed, is known as a covenant. It is not correct to describe any term of an agreement not under seal as a covenant, though the word is very commonly used in the same sense.

When a deed is executed, various persons are named in it, but it is only absolutely necessary that the person who actually binds himself to do something in the future should sign the deed.

COVER.—Cover is the amount deposited by a client with his broker as a marginal security on a speculative transaction. An individual may give a broker an order to purchase or to sell a quantity of stock without the broker being assured of the ability of the client to fulfil his bargain or to make good any loss that may arise on the closing of the transaction, and in such case he may ask for cover of, say, 1 per cent. of the amount of stock dealt in. The system of dealing on cover is largely adopted by bucket shops (*q.v.*) which encourage private individuals to indulge in speculations on margin or cover, the losses of such individuals being limited to the cover. In other words, suppose A to purchase £1,000 Great Eastern Railway Ordinary Stock for the rise at 72 on the cover system, the cover being 1 per cent., he would have to deposit £10, being 1 per cent. on the amount of stock purchased. If the stock rose a point or two, he might obtain his profit (although in the case of a bucket shop this by no means follows); or, on the other hand, if the stock fell to, say, 68 within the period of the transaction, although a loss of £30 would have been incurred, the client's loss would be limited to the £10 cover deposited, the idea being that the moment

the stock has fallen sufficiently to exhaust the cover the deal is automatically closed. Needless to say, in dealing in this fashion with bucket shops the odds are always against the customer.

COWSLIP.—The common English meadow plant of the same species as the primrose. A wine called by the same name is manufactured from its flowers.

CRAB.—Like the lobster, shrimp, etc., the crab belongs to the class of the *Crustacea*. It exists in a variety of forms. The edible crab is found in very large quantities off the English coast, and in the fresh waters of the great European rivers.

CRANAGE.—The charge made at certain sea-ports for the hire of a crane when used for loading or unloading such goods from a ship as are too heavy for the ordinary tackle on board, or a charge made by dock companies for using their cranes for any purpose whatever.

CRANBERRY.—A small evergreen shrub which flourishes in peaty bogs. It is cultivated for the sake of its fruit, which is particularly appreciated in America, where the berries attain a larger size than in Europe. Britain's supplies come mainly from Canada. The berries are much used for tarts, jams, jellies, etc.; and in Siberia a wine is made from them. The fruit is also largely eaten on board ship, owing to its anti-scorbutic properties.

CRAPE.—A crisp, gauze-like fabric, usually dyed black and used for mourning. It is made of raw silk tightly twisted, and is devoid of all gloss. It is said to have been introduced into England by the French refugees towards the end of the seventeenth century. Norwich is the chief centre of manufacture, but Lyons also does a considerable trade in the article. The white and coloured crapes of China and Japan are prepared in a different way, and are extensively used for dresses, shawls, etc. They are generally known by the French name, *crêpes de Chine*. Lancashire manufactures cotton materials of a crape-like texture.

CREAM.—The fatty substance which, in the form of minute globules, forms on the surface of new milk. "Skim milk" is the name given to the liquid remaining when the cream has been extracted. For this purpose machines known as "cream separators" are generally used. Cream is itself a valuable food, and is, besides, of great importance as the source of butter and of various cream cheeses. The best Stilton cheese also contains a proportion of cream. Devonshire cream is obtained from new milk which has been heated after standing for a day.

CREAM OF TARTAR.—A crystalline solid, also known as acid potassium tartrate or bitartrate of potash. It occurs naturally in grape juice, and forms the deposit known as argol (*q.v.*), which is found in wine casks or vats. After being dissolved in boiling water, the argol is filtered through animal charcoal to remove impurities. Pure cream of tartar has an acid, but not disagreeable, taste. It forms an ingredient of baking powder, and is also used medicinally as a purgative. Its chemical symbol is $\text{KHC}_4\text{H}_4\text{O}_6$.

CREDIT.—Credit means belief in one another; and in one of its important sense the progress of society has consisted in the increase of the reliability of its members. To a savage it would appear incredible, even if he could comprehend the idea, that a man could incur obligations for the future and would not seek to evade them. Yet if we could not trust one another, a modern civilised

society could not hold together a single week without a *division of labour*, regarded from another point of view, division of labour is possible just in proportion as men can rely on one another. Works are accomplished nowadays which would have been utterly impossible in former times, not solely because we have become more skilful, but because all who cooperate are confident that those who work with them will honestly perform their part. Trust, the confidence that promises will be kept, that engagements will be met, that contracts will be fulfilled, is the essence of our modern industrial society. It would hardly be possible to exaggerate the effects of this purely mental accessory to production. "The advantage that it is to mankind to be able to trust each other penetrates into every crevice and cranny of human life—the economical is, perhaps, the most important part of it, yet even this is invaluable." The fact that a society which is making progress is to break the shackles imposed by the necessity of completing each transaction at the moment to pass from a ready-money to a credit system.

The most striking application of the principle of trust or credit is in the case of money. Adam Smith's ingenious comparison—more appreciable now that the tenuous image has been realised than when he made it in 1776—falls far short of reality. He likens credit to a road made in the air, so that the land is merely occupied by roads becomes available for soil or pasture, but, if we would confine the simile, the portion of fresh soil made disposable for productive purposes becomes many times the whole of the former area: the work done by the various economising expedients to which credit gives birth many times surpasses all the work before accomplished by metallic money. Later economists go so far as to place alongside the three traditional agents of production—Labour, Capital, and Land—a fourth, Organisation, and of Organisation the main part is the wonderful structure which we call the money market. A temporary stoppage of the smooth working of the cunning mechanism built by the brains of financiers would cause a calamity as far-reaching as that which resulted from a general strike of all workers, skilled and unskilled. If anything can be said to have the magical power of creating something out of nothing, it is *faith*, intangible yet powerfully operative, pervading the trading community.

Much controversy has, and a great deal of ill-temper, have been expended on the question whether credit is capital or not. If we admit that unemployed capital is not productive capital—that funds lying idle, land uncultivated, tools and machinery rotting, stores of food unconsumed, cannot be regarded as present wealth used to produce future wealth—we must grant, not only that credit is capital, but also that the larger portion of the productive resources of a community consists of credit. The best asset a man can have in his business is the trust reposed in him, that is, his reputation for prompt meeting his obligations.

The trader or producer who employs solely or mainly his own capital in our country at any rate, becoming more and more of a rarity. The "old-fashioned men" are gone, these are men, who, operating largely on borrowed capital, are well content with a small rate of profit. The business of the country is in the hands of men who,

from their attested reliability in money matters, from the faith which men have in their industrial or professional skill, can obtain control over the wealth of the country. Scattered in small parcels throughout the extent of the land, this "wealth"—the claims acknowledged by society to a share of the products in the world—is not "power"; garnered into banks and made available in effective quantities, it gives a tremendous impetus to the wheels of the producing machine. As the classic on banking—*Lombard Street*—puts it: "Much more cash exists out of banks in France and Germany than could be found in England or Scotland, where banking is developed; but that is not, so to speak, 'money-market money,' it is not attainable; but the English money is 'borrowable' money. Our people are bolder in dealing with their money than any other Continental nation, and even if they were not bolder, the mere fact that their money is deposited in a bank makes it far more obtainable. A million in the hands of a single banker is a great power; he can at once lend it where he will, and borrowers can come to him, because they know or believe that he has it; but the sum scattered in tens and fifties through a whole nation is no power at all; no one knows where to find it, or whom to ask for it. Concentration of money in banks, though not the sole cause, is the principal cause which has made the Money Market of England so exceedingly rich, so much beyond that of other countries." And the material point has not yet changed.

No country in the world equals, or nearly equals, Britain in its possession of this great advantage. In no other country does the postulate of political economy, that capital flows to where it can be most profitably employed, hold good to so high a degree, and the assumption is here realised, not merely speedily, but instantaneously. No sooner does a special trade or industry appear to hold out hopes of more than ordinary profit, than the bill-cases of bankers and brokers are filled with bills drawn in that trade or industry, and capital immediately rushes to share in the anticipated gains. The most important and beneficial function of banks is to perform the office of middleman between those who save and those who are eager to employ the savings in profitable ways, and between the producers of goods and those who will quickly send the goods a stage nearer the consumer.

In a state of "division of labour," the two chief requisites for "good" times—times when all classes are amassing great profits—are—

(1) There should be as little delay as possible in exchanging goods for one another.

(2) The producer should speedily, certainly, and without difficulty, be able to find those who want his goods.

When credit is unimpaired the bankers and bill-brokers by their discounting of bills ensure these two requisites, and when they are fulfilled, everyone is profitably occupied, and wealth flows over the country—to wage-earners and capitalists alike—in a spring tide. By means of which the intangible property, in virtue of which the members of a civilised community trust one another, the productive forces of that community are increased tenfold. We are first in the world of commerce and industry more from this than from any other single cause; and our advantage in this respect we do not appear likely to lose.

The great, the immense, benefits we derive from

• being able to dispense so largely with the use of cash are bought with a price. The various effects are freely taken in lieu of money, because the receiver has implicit confidence that he can, at will, obtain gold for the effects; and, so long as an extremely small proportion of the receivers ever test their ability to do so, the confidence is justified. All the clients of an insurance house do not die at once, nor do all the creditors of the banks seek the settlement of their claims in gold at the same moment. But the number of those who do so seek the liquidation of their claims is not, as is the case with the drain on the funds of the insurance company, a steady and calculable one. On the contrary, it is extremely fluctuating, and in times of "panic" or "crisis" it may well seem to the bank directors that all their customers are at the counter. One means, we may point out in parenthesis, of making the amount required more steady and calculable is to enlarge the field of operations: there is a relative stability about large numbers as compared with small ones. Increases in one direction are more likely to be balanced by decreases in another. Perhaps, apart from the resulting economies in management and the added prestige of the larger firm, this fact accounts for the movement towards amalgamation of banking concerns.

The amount of gold required to meet varying demands is itself variable, so that, to cope with contingencies which are not, nor, indeed, can be, foreseen, an adequate "reserve" must be maintained. This "reserve" is cash in the till or at the Bank of England, and, though some would deny that it should be so considered, "cash on call." In *Lombard Street*, where Mr. Bagehot conches his lance against all classes of the banking community in turn, it is very forcibly brought home to us that the whole of our vast fabric of credit is based on a single reserve of gold—that in the vaults of the Bank of England. Conditions did not change very greatly between the time when Bagehot wrote, in 1873, and the date of the outbreak of the Great War in 1914, except that the interests involved were infinitely greater, and some banks were taking his words to heart by creating the nucleus of a reserve. How the crisis of the last six years will be met eventually it is difficult to say, for the liabilities of the nation have now reached a stupendous height upon which it is dangerous to speculate. The present article must be read in the light of normal conditions—which may return in the distant future.

In this connection, Mr. Goschen—one of the "masters of those who know"—may well be quoted. Speaking of the dangers which the country had narrowly escaped during the "Baring Crisis" of 1890, he said: "I doubt whether the public has thoroughly realised the extent of the danger to which what is called 'Baring Crisis' exposed us all. It was not a question of a narrow circle of financiers or traders. The liabilities were so gigantic, the position of the house was so unique, that interests were at stake far beyond individual fortunes, far beyond the fortunes of any class. We were on the brink of a crisis through which it might have been difficult for the soundest or the wealthiest to pass unscathed. I cannot exaggerate the danger, the immediate danger, to which the country was exposed at that time, and we are under a deep debt of gratitude to the Bank of England for the action it took—action which

enabled us to tide over the crisis." And, later, in the same remarkable address, he says: "I must give utterance to a strong conviction that the present scale of the cash reserves of private banks and of other financial institutions is inadequate to the necessities of the country, too small as compared with the gigantic liabilities which are incurred." By the growing practice of publishing balance sheets, and by the formation of private reserves apart from that of the Bank of England, something has been done to remedy the defects of our system; but these devices may be suspected of being mere palliatives, and something more radical appears to be needed to remove the danger.

CREDIT BANKS.—Credit banks, or, as they are usually called, agricultural co-operative credit societies, are to be found in various places in England, and in more than two hundred places in Ireland. The principal object of these banks or societies is to enable small farmers to obtain advances of money to assist them in connection with their business. The society borrows money, either from a local banker or from the Central Co-operative Bank, London, on the joint security of all the members, and lends it out to the members, usually upon the joint and several promissory note of the borrower and two sureties. The liability of the members is unlimited, and it is on the strength of that liability that the society is enabled to borrow the money to lend out at slightly higher rates. If need be, the promissory notes of the individual borrowers may be assigned by the society as security to the local banker or the Central Bank from which it obtains a loan. The societies may also obtain capital from local wealthy residents who are interested in the welfare of the district in which the societies operate, and this was the main source of capital before the Central Bank was started. A credit bank also encourages thrift by receiving money on deposit, which is used in lending to members who require loans. When a credit bank has more deposits than it can utilise in loans to its own members, the unused balance is transferred to the Central Bank, and from there it is lent to other credit societies requiring money. The Central Bank is worked on limited liability lines.

Each borrower must specify the purpose for which a loan is required, and bind himself to apply the money only to that purpose. Fifty pounds is the maximum which may be lent to any one member. The society, which is managed by a committee elected by the members, pays no dividend, and all profits go to increase the capital formed from the small entrance fees of the members. • The various societies are affiliated to the Agricultural Organisation Society.

In the event of the failure of a credit bank, the rules provide that in no case shall a Reserve Fund be divided amongst the members, but must be devoted to some local charity or useful purpose, such as a village hall, in the district in which the society operated. • •

• A statement was made some years ago, pointing to the probability of legislation in the near future to facilitate the creation of credit banks. Earl Carrington, who was at the time President of the Board of Agriculture, said: "I have been considering whether I could not devise a plan to lay before my colleagues to give legislative, administrative, and financial facilities for the establishment on a sound basis of a satisfactory system of co-operative credit banks, especially for the benefit

of agriculture." Up to the present nothing has been done, largely owing to the conditions of war which existed from 1914 to 1918, and it is doubtful whether the economic state of the country will permit of steps being taken beyond those which have served in the past.

CREDIT FONCIER.—The meaning of this term is "credit on lands." The Credit Foncier is an institution in France, established in 1852, the object of which is to supply landed proprietors with the means of carrying out improvements by granting them loans of money on the security of their lands, to be repaid by equal instalments, so as to extinguish the debt within a certain period. On this principle certain societies have been formed in France, subject to certain conditions, and endowed with certain privileges. Their regulations are precisely defined by law, and they are not allowed to advance more than half the value of the property pledged or hypothecated. Similar companies had been established in Hamburg in 1782, and in Western Prussia in 1787.

CREDIT INDUSTRIEL.—A commercial society established at Paris, in 1858, for the purpose of making advances, for a limited period, to persons engaged in industrial pursuits, on goods, shares, bills, bonds, &c., to the extent of two-thirds of their marketable value. The liability of the shareholders is limited to the amount of their shares. The capital is 60,000,000 francs divided into 120,000 shares of 500 francs each.

CREDIT INSTRUMENTS.—Cheques and Bills of Exchange. The general aspects of credit have been discussed under that head. Here we note the essential features of the credit paper which, being transferred in good faith by one person to another, gives to the latter a legal right to the property of which the paper is representative. Such paper is, we say, "negotiable", and is the chief economising expedient for monetary purposes. If the holder has obtained the paper in a lawful manner, no claims of others on the property named in the paper are valid. To an astonishing degree we facilitate the distribution of the produce of industry according to the convenience of those among whom it is shared, by something less costly than gold. The less costly means is paper, which, being accepted in the trust that it is "good" for the amount it denotes, forms what is called the "fiduciary" or trust circulation.

Our negotiable credit instruments comprise, among others, two great classes: (1) Bills of Exchange, and (2) Promissory Notes. Under the first head must be included that most potent agent of circulation, the cheque, which is a bill of exchange drawn on a banker and payable on demand. But the cheque is not like a bill of exchange "accepted" by the banker, and he is, therefore, never liable for the drawer's failure to meet the cheque. Under the second head are to be included bank notes when convertible, for these are promises by bankers to pay specified amounts on presentation of the note. In one sense, indeed, the cheque may be included also under this second head. It is the bank note of the private individual, of one who has not "public" credit, as the banker has. Each person becomes his own note-issuer within the more confined field where people feel confident of his solvency. It has a limited circulation, and its worth is tested sooner than that of the bank note, but it has compensating advantages which have made it, at any rate in our country,

almost supersede the bank note. It can be drawn for the exact amount of payment required; it is of no value unless signed by the real owner of the funds drawn on, and loss is, therefore, less to be apprehended when cheques are used than when bank notes are employed; and the device of "crossing" further safeguards against deviation from the destined recipient.

The main purpose of "Peel's Act" of 1844 regulating the bank note issue has, in fact, been evaded through the extraordinary development of the cheque system. The mechanism of the Act is devised to make the bank note currency vary in the exact manner in which a purely metallic currency would vary. The foreboding at the time was that an inflation of the currency by excessive issues and the consequent rise of prices might lead to a "monetary crisis" through a sudden collapse of credit. To prevent this, it was enacted that every note above a limited amount must have as basis, in the Bank of England, the exact amount of gold represented by the note. But the amount of gold in the Bank vaults has a very remote influence on the number of cheques drawn. When trade is booming, bankers are readier to open credits and to discount bills, and cheques are multiplied. By law, the "currency principle"—which affirms that stringent regulation is needed so as to limit the dangerous increase of bankers' money—regulates our credit system. In reality, we work under the "banking principle," which holds that, if kept always convertible, bank paper cannot be issued in excess, and that intelligent management of the reserve will ensure convertibility.

A bill of exchange is legally defined as: "An unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at a fixed or determinate future time, a sum certain in money to, or to the order of, a specified person or to bearer." It originated from the fact that by its use is obviated the necessity of transmitting costlier means of settling claims. It saved trouble, risk, and expense. A debt is contracted by a person, and is due not at the place where the creditor, but where the debtor, resides. When the places are at all remote from one another, the cost of transport of the coin or bullion from the debtor to the creditor is a considerable item. The cost can be avoided if the creditor is able to sell his claim to a neighbour who needs means of payment where the debtor resides. The debt payable to one person in one place is exchanged for the debt payable to a different person in a different place. The bill brokers, buying claims from those who are to receive money in the distant place, and selling to those who need to pay in the distant place, in ordinary cases enable the debts due in one place to compensate those due in another. The amount of gold transmitted, as compared with the magnitude of the transactions, is amazingly small.

In the home trade, the archaic purpose of the bill of exchange has long been relegated to a very subordinate place. Our banking system, with its network of branches enmeshing the country, dispenses with any necessity for the passage of gold. The motive which now prompts to the creation of the great bulk of home bills is the knowledge that by their means credit given to one person is made available for obtaining credit from another. Home bills are usually created for the purpose of being

discounted. The trader or producer who has sold goods for which he will be paid at the expiration of six months, unwilling to leave his capital so long idle, draws a bill on his creditor. This he presents to a bill broker or banker, and receives at once the amount of the bill, less interest for the time it has to run. The active spending individuals, desirous of extending their operations, seeing abundant scope for the fructifying power of capital, forestall their claims on others by drawing bills.

The bill brokers, finding money for bills and bills for money, bring these into contact with quiet, accumulating people with more money than they can themselves profitably employ; and, while credit is good, the lures of industry work at high pressure. In our country the skill and knowledge of men of enterprise are made immediately available for productive purposes, because such men can borrow the necessary auxiliary capital readily and cheaply on their bills. The credit given on the security of the bill is granted the more readily as the financial reliability of two persons is involved; if the acceptor fails to meet his acceptances, recourse may be had to the drawer.

The facility with which credit is thus coined by bills gave birth to "accommodation paper"—bills not founded on any actual sale. The drawer of such a bill, anxious to have a discountable effect to tide over "temporary embarrassment," by undertaking to afford means of meeting his bill on maturity induces a correspondent to accept it. So two tottering credits may serve as mutual supports. Some reluctance in negotiating accommodation bills is usually justifiable. The actual sales of a merchant may not be a very reliable gauge of the amount of credit which should be accorded him. It is, however, some clue, but with bills of accommodation, provided he finds a sufficiency of complaisant acceptors, his credit seems unlimited.

"So much of barbarism still remains in the transactions of the most civilised nations"—thus Mill puts it—that the original motive for the creation of bills still operates in international trade with almost undiminished force. Modern credit facilities are even here, however, rendering more and more needless the passage of gold. Obviously, too, with the growth of intercourse between nations, the number of compensatory claims will increase; and thus, in proportion to the whole bulk of monetary transactions, the balance to be remitted in coin or bullion will decrease. And the extent and diversity of these compensatory claims is great. The loan subscribed in England on account of railway construction in The Argentine, is drawn against, just as though cargoes of wool or wheat had been shipped to London; the railway shares are the invisible export from Argentina which balances the purchases from England. Remittances to agents abroad, drafts drawn by travellers on their bankers at home, payments for freight and commission, all have in their degree their effect on "the Exchanges," equally with the interchange of products. We may, indeed, regard as the latest development of credit paper the title to property which nowadays forms so large a part of "invisible exports." We export not alone cotton and iron goods, but factories and workshops, railways and canals. A country which is adding to its immovable goods, its permanent buildings, its docks and quays, is increasing its means of export, just as if it added to its output of woollens and cottons.

More, these latter-day values, being despatched abroad and again repatriated at the slightest cost, are more applicable for fulfilling the office of a settling medium than any produce whatever.

In the long run, the claims of two countries on each other will balance; but though the claims ultimately cancel one another, they are not coincident in the time of settlement, and therein lies a difficulty. "In the long run" may mean an interval of some generations, and not all of us have patience to defer our claims so long. However, by means of "bills drawn in blank," similar in many respects to "accommodation" paper, something of this deferring is accomplished. An agricultural community, anticipating its income from the autumn exports, draws bills, which are accepted abroad to pay for the manufactures continuously entering its ports. Its prospective income is mortgaged to cope with current outlay. The bill in blank has a legitimate and beneficial office, for it mitigates the inequalities of price to the general benefit, and but for it a double journey of coin, with the attendant risk, trouble, and expense, would be entailed.

CREDIT, LETTER OF.—(See LETTER OF CREDIT.)

CREDIT MOBILIER, SOCIÉTÉ GÉNÉRALE.—

The name of a society, which was established in France in 1852, upon the principle of limited liability. The capital was fixed at 60,000,000 francs, divided into shares of 500 francs each. The operations of the society are directed principally into three fields—

(1) To aid the progress of public works, and promote the development of national industry—making railways, managing gas companies, and, in fact, becoming a kind of universal trading association.

(2) For the buying up of shares and bonds of existing societies and companies, for the purpose of consolidating them into one common stock.

(3) For the transaction of general banking and brokerage operations.

The funds for the carrying out of these diverse operations are the capital of the company, and the deposits received by the society from the public.

CREDIT NOTE.—This is a document which is sent to the firm returning goods, or to whom an allowance for such matters as short delivery or reduction in the price, is made, and gives full particulars of such return or allowance. Having been checked, an entry is made through the inwards returns book to the credit of the customer's account in the debit ledger, and the customer on its receipt passes the item through his outwards returns book to the debit of the firm from whom he purchased.

Credit Note.

London, Jan 5th, 19...

Messrs. Tupper & Co., Manchester.
Credited by Bardell Bros.

10 +	2	X'elvet, 79/80 $\frac{1}{2}$ 159 yds	2/9	£21	17	3

CREDITOR.—One who gives credit to another, or believes or trusts in him. Commercially the term denotes a person to whom a sum of money is due.

CREDITORS LEDGER.—The ledger containing accounts for all persons to whom money is owing at

any time, and, therefore, to whose accounts all payments which credit is to be made are posted. The payments are made from the invoice book to the credit of the personal accounts.

CREDITORS' MEETINGS. Meetings of creditors in the formal legal sense are subject to the statutory provisions relating thereto contained in the Bankruptcy Act of 1914 and the Bankruptcy Rules made thereunder, and to the common law. A debtor may, of course, call a private meeting of his creditors, which meeting will be free from any special legal requirements, but it should be remembered that something may be done at that meeting which amounts to an act of bankruptcy, rendering the debtor liable to have a petition presented against him. It is in the formal legal sense that creditors' meetings are dealt with in this article.

As soon as may be after a receiving order has been made, the official receiver summons a first meeting of creditors to consider the debtor's position, *i.e.*, whether he shall be adjudged bankrupt or a scheme of arrangement entered into. This meeting is to be held not later than fourteen days after the receiving order has been made, and seven days' notice of it is to be given by advertisement in the *London Gazette* and a local paper, and separately to each creditor, together with a summary of the debtor's affairs. The object of such notice of a meeting does not include the proceedings at the meeting. The official receiver must give three days' notice of the meeting to the debtor, who must attend. The place must be convenient. The chairman of the first meeting shall be the official receiver or someone nominated by him, and at the second meeting the chairman shall be chosen by the meeting or the court on application.

As regards subsequent meetings, one may be summoned at any time by the official receiver or trustee, and he must do so whenever directed by the court or requested in writing by a creditor, with the concurrence of one-sixth in value of the creditors, including the creditor making the request. Such creditor however must deposit an amount sufficient to cover the cost of summoning the meeting, which amount may or may not be repaid to him. These subsequent meetings are summoned by notice to each creditor.

A creditor may not vote at a creditors' meeting unless he has proved his debt, and the proof has been lodged with the official receiver within (in the case of the first meeting) the time specified in the notice summoning the meeting, which time must be between one of the days but one before the meeting and two of the days before the meeting. A proof lodged at an adjournment of the first meeting, if not lodged in time for the latter, must be lodged not less than twenty-four hours before the adjourned meeting. A secured creditor who relies on his security balance due to him after deducting its value, if he votes for the whole amount of his debt, he is considered to have surrendered his security, unless he states the contrary. The chairman of a creditors' meeting may accept or reject proofs for voting purposes, subject to appeal to the court. Voting may be either in person or by proxy, and both general and special forms of proxy must be enclosed with the notice of meeting sent to creditors. A special proxy is an authority to vote at a particular meeting for or against a specific matter. Proxies signed other than by the creditor or by an employee of

his having general authority (which may have to be produced to the official receiver) must be lodged with the official receiver or trustee not later than 4 o'clock on the day before the meeting. A proxy must be in the prescribed form, and every insertion in it must be in the writing of the creditor or of his regular employee, or of a commissioner to administer oaths. The official receiver may be appointed either a general or a special proxy. A general proxy may be given to the creditor's regular employee, but it must state the relationship between them. A general or special proxy may not be used by any person to vote for a resolution which would directly or indirectly place himself, his partner, or employer in a position to receive any remuneration out of the debtor's estate otherwise than as a creditor rateably with the other creditors. But a person holding special proxies to vote for the appointment of himself as trustee may use such proxies and vote accordingly, any solicitation by a trustee or receiver in obtaining proxies, or in procuring the appointment as trustee or receiver, may involve such person in deprivation of his remuneration.

The chairman of a creditors' meeting may, with the consent of the meeting, adjourn it from time to time and from place to place. If not specified in the resolution, the adjourned meeting is to be held at the same place as the original meeting.

The quorum of a meeting is the presence or representation of at least three creditors entitled to vote, or all the creditors, if their number does not exceed three. It has been decided that one creditor who alone had proved and was present at the first meeting of creditors might form a quorum at that meeting (*In re Thomas, Ex parte Warner, 1914, 55 S. J. 482*).

Without the necessary quorum the only business that may be transacted is the election of chairman, proving of debts, and adjournment of the meeting. Failing a quorum within half an hour from the time appointed for the meeting, the meeting must be adjourned to the same day, time, and place in the following week, or to such other day as the chairman may appoint not less than seven days nor more than twenty-one days after. Failing a quorum at the first meeting or one adjournment of same, the court may, on the application of a creditor or of the official receiver, forthwith adjudge the debtor bankrupt.

The chairman of every meeting must see that minutes of the proceedings thereof are drawn up and fairly entered in a book kept for that purpose; and the minutes shall be signed by him or by the chairman of the next ensuing meeting. Minutes appearing to be so signed are received in evidence without further proof, and, until the contrary is proved, the meeting is deemed to have been duly convened and its business to have been duly transacted.

The procedure at creditors' meetings, except as provided above, follows the customary rules of debate. (See CONDUCT OF MEETINGS, DUTIES OF CHAIRMAN.)

CREDITORS, PREFERENTIAL.—(See PREFERENTIAL CREDITORS.)

CREDITORS, SECURED.—(See SECURED CREDITORS.)

CREDIT SALES.—Sales for which the time of payment is deferred or postponed. The purchaser is entered in the vendor's books as a debtor, and the price of the goods is a book debt.

CREDIT SLIP.—The form which is filled up and

signed by a customer of a bank when paying in to the credit of a current account. It should be dated by the customer for the day on which the payment to credit is handed across the counter, or, if sent by post, the date of its despatch.

A credit slip should show how the amount is made up, in gold, silver, copper, notes, cheques, or bills. These slips are usually supplied by the various banks for the use of their customers, either singly or in a special book, which is known as the "paying-in" book.

Another name for a credit slip is "paying-in slip."

CREMATION.—(See BURIAL.)

CREOSOTE.—A name originally confined to the oily liquid obtained from the destructive distillation of wood, but now extended to similar substances resulting from the distillation of coal tar. Wood creosote is antiseptic, and is used medicinally in cases of toothache, etc. Coal tar creosote is more important commercially, chiefly on account of its preservative properties, which make it valuable for the preservation of such diverse articles as meat and timber. It is particularly employed to prevent the decay of railway sleepers.

CRETE (or CANDIA).—This is an island in the Mediterranean Sea, which figured considerably in the ancient history of civilisation. Its length is about 150 miles, and in breadth it varies from 7 to 30 miles. The total area is a little under 3,000 square miles, and the population is about 350,000. From 1669 to 1898 it was under the rule of Turkey. In the last-named year a semi-independent government was set up, and in 1912 it became a part of Greece. The island has a healthy climate, and a fertile soil, the chief products being olive oil, wine, raisins, citrons, and oranges. Suda Bay provides an excellent anchorage.

Canca (30,000) is the capital, but *Candia* (35,000) is the largest town, the only other one of importance being *Rethyma* (12,000).

CRETONNE.—Strong printed cotton fabrics of flowery design, used for curtains, furniture coverings, etc. The original material bearing this name was a white cloth of French manufacture. Some derive the word from the name of the inventor, while others trace it to the Norman town of Creton.

CREW.—The crew, in the ordinary sense of the word, includes the whole of the ship's company, except the master, that is to say, the mate or mates who are next in authority after the master, the carpenter, steward, cook, and the able and ordinary seamen and boys. To these must be added, in the case of steamships, the engineers and firemen. Each member of the crew has special duties to perform, which are well defined by usage. It is in this sense that the word is used in the Merchant Shipping Act, 1894, except as regards the list of the crew mentioned in Section 253 of the Act, in which the master and apprentices are expressly included. Since 1853 British ships may be manned by persons of any nationality. It remains to be seen whether any legislation will modify the rule owing to the conditions of the Great War. A vessel is bound to carry a sufficient crew for the purposes on which she is employed. The Merchant Shipping Act contains no provision requiring seamen (other than officers and engineers) to have any qualifications, except that they cannot be rated as able-bodied seamen unless they have served at sea for four years before the mast. When it is desired to find

out whether the owner is the employer of the master and crew, or any of them, the primary questions seem to be: Who pays them? Who appointed them? Who can dismiss them? The last is, perhaps, the most important of the three. A master and crew appointed by the owner, but paid by the charterer, were held to be the owner's servants, and the owner to be liable for their negligence. For the purposes of a policy of insurance, or a contract of sea carriage, a shipowner is bound to provide a sufficient and skilled crew for the voyage, or the ship is not seaworthy. In the case of an emigrant ship, the Merchant Shipping Act makes it compulsory for her to be manned with an efficient crew for her intended voyage to the satisfaction of the emigration officer; and after the crew has been passed by him, its strength must not be diminished, nor any of the men changed without the written consent of either him or the superintendent at the port of clearance. The hiring of seamen in the United Kingdom by the master of any British foreign-going ship must be transacted before a superintendent of the mercantile marine, who is required in that case to read over and explain the agreement to the seamen, and afterwards to attest the signature of each seaman, written, as it must be, in his presence. The engagement of a seaman abroad must take place before either a superintendent or an officer of customs, if the place is in a British possession; or if at a foreign port in which there is a British consular officer, before him. The hiring of seamen must be by written agreement, which requires no stamp, in the form issued by the Board of Trade. The agreement being in writing, it is nevertheless enacted that a seaman may prove the contents of it, or otherwise support his case, before any court of justice, without producing or giving notice to produce it. A power has been specially reserved to the High Court of rescinding any contract of sea service between the master and crew, if it thinks it just to do so. The Court of Admiralty entertains proceedings against foreign ships in the ports of this country, at the suit of any of their crew, for wages due by the general maritime law. The duty of the owner and master to provide provisions and water, of proper description, and in sufficient quantity for the use of the crew, obliges him now to specify the description and quantity in the contract, and to furnish the crew with the means of weighing and measuring the articles when served out. Compensation is to be paid them for short allowance. The expense of all medicines, surgical and medical advice, and attendances whilst on board his ship is to be borne by the owner; and if the patient is temporarily removed to prevent infection or otherwise for the convenience of the ship, and he subsequently returns to duty, the owner is to bear the expense of such removal, and the necessary advice, with attendance, medicines, and maintenance whilst the patient is absent from the ship. The provisions of the Workmen's Compensation Act, 1906, apply to masters, seamen, and apprentices to the sea services, provided that such persons are workmen within the meaning of the Act, and are members of the crew of any British ship. A specified amount of space for each member of the crew must be provided in the place appropriated to them on board, and such place is to be kept free from encroachments, to be protected from sea and weather, and from effluvia, and in all other respects securely constructed and well lighted and ventilated. If any three or more

of the crew of a British ship complain to an officer in command of one of His Majesty's ships, a British consular officer, superintendent, or chief officer of customs, that the provisions or water on board are bad in quality, unfit for use, or deficient in quantity, the officer may examine them, and if he finds the complaint justified, he must give notice of the fact to the master, who must then remedy the cause of complaint. The result of the examination must be entered in the official log book, and a report sent to the Board of Trade by the examining officer; but any frivolous complaint forfeits to the shipowner a sum not exceeding one week's wages from each person so improperly complaining. The Merchant Shipping Act, 1906, provides for the protection of seamen from risk in ships carrying deck timber cargoes in winter. It is a misdemeanour for the master to discharge any seaman at any place out of the United Kingdom (except at a port in the country where he was shipped) without previously obtaining the sanction in writing, indorsed on the agreement, of the proper authority. Obedience by the crew to the lawful order of the master is necessary, even though he uses his authority harshly.

CRIMINAL APPEAL COURT. (See APPEAL.)

CRIMINAL LAW.—That body or branch of the law which deals exclusively with offences which, although directly affecting individuals, are opposed to the good government of the State. The term is always used to distinguish it from the civil law (*q.v.*). The principal offences under criminal law, so far as they have any reference at all to commercial matters, are noted under separate headings.

CRORE.—A hundred lacs of rupees. (See LAC.)

CROSS BILL.—(See RF-DRAFT.)

CROSSED CHEQUES.—The cheques dealt with in the article *Cheques* are those which can be presented to the banker upon whom they are drawn, and paid over the counter of the bank. Such cheques are known as "open" cheques, and it is obvious that great risks are always run when they are in circulation. A drawer, for instance, loses a cheque. Any finder of it can go at once to the bank and cash it, unless it has been stopped, or he may transfer it to a holder in due course (*q.v.*). The holder is entitled to the money represented by the cheque, and if he cannot obtain it from the bank by reason of its being stopped, he may sue the drawer upon it. And the drawer has no defence unless he can show that the holder is not a holder in due course. Again, the cheque may be lost or stolen in the post. As to who is the loser depends upon whether the post is the agent of the sender or of the person to whom the cheque is sent. (See *POST OFFICE AS AGENT*.) But any person who becomes a holder in due course (*q.v.*) has a title against the world, unless the cheque is payable to order and the thief forges the indorsement of the payee. The holder has then no title since he has taken under and through a forged indorsement. He may, however, get the money from the bank, if the cheque is open, and the banker upon whom the cheque is drawn is never liable for paying under the forged indorsement unless he has been ordered to stop payment. The true owner must then seek out the holder, and sue him for the return of the amount of the cheque. It is obvious, however, that great difficulties would arise before restitution could be brought about.

It was to avoid losses arising through cheques getting into the hands of wrong parties that the

custom of crossing was introduced. The remedy is not infallible, as will be seen directly; but the fact of a cheque being paid through a banker instead of over the bank counter makes it less easy for frauds to be committed, and more easy for them to be detected when they have been completed. As was said in one case, the crossing operated as a caution to the banker. The mere crossing of a cheque in no wise affects the negotiability of the instrument, it simply affects the mode of payment. The holder in due course has a perfect title to it. Two statutes passed upon the subject have been repealed by certain sections of the Bills of Exchange Act, 1882, and the law as to crossed cheques is contained in sections 76 to 82 of the Act.

Crossing Defined. A cheque is crossed generally when it bears across the face of it an addition of (a) the words "and Company," or any abbreviation thereof, e.g., "and Co.," between two parallel transverse lines, either with or without the words "not negotiable"; or (b) two parallel transverse lines simply either with or without the words "not negotiable." A special crossing is constituted when, in addition to the above, the name of a banker is written on the face of the cheque. A cheque is then crossed specially to that banker (sect. 76). It is to be observed that the provisions of the Act as to crossed cheques apply to dividend warrants, and also to "any document issued by a customer of any banker, and intended to enable any person to obtain payment from such banker of the sum mentioned in such document." Post office orders and postal orders are frequently crossed, in the same manner as cheques, and then payment of them cannot be obtained except through a banker.

Who can Cross Cheques. In practice, unless he is particularly requested not to do so, as when cash is required at once from the bank, the drawer crosses the cheque before issuing it, and he may cross it generally or specially. If he omits to do so, the holder may cross it, either generally or specially, and if the drawer crosses it generally the holder may cross it specially. Either drawer or holder may also add the words "not negotiable." Again, when a cheque is crossed specially, the banker to whom it is crossed may again cross it specially to another banker for collection, and where an uncrossed cheque, or a cheque crossed generally, is sent to a banker for collection he may cross it specially to himself (sect. 77). The crossing authorised by the Act is a material part of the cheque, and it is unlawful for any person to obliterate or to add to or alter the crossing, except as above stated (sect. 78). It must be remembered that by section 64 of the Act a material alteration, without the assent of all parties, avoids the cheque except as against the party who has himself made, authorised, or assented to the alteration, and all subsequent parties; but if the alteration is not apparent, and the cheque gets into the hands of a holder in due course, such holder is in no way prejudiced by such alteration. If the alteration or the obliteration of the crossing is done for a fraudulent purpose, it constitutes a forgery. Many firms have their cheques crossed by means of printing, and issue no open cheques at all. Bankers also will often, on request, issue cheque books containing cheques which are crossed generally. A payee may, however, make a special request for his own convenience that the cheque shall not be crossed, and the drawer sometimes accedes to the request by striking out the

DIAGRAMS OF CHEQUE CROSSINGS.

General Crossings.

	<i>Not Negotiable.</i>
1	4
	& Co.
<i>Not Negotiable.</i>	
2	5
	<i>Under Five Pounds.</i>
	<i>Not Negotiable.</i>
3	6
& Co.	<i>Under Ten Pounds.</i>

Special Crossings.

	<i>Not Negotiable.</i>
7	10
<i>Farmer's Bank.</i>	& Co.
	<i>Barton's Bank, Ltd.</i>
	<i>Not Negotiable.</i>
8	11
& Co.	<i>Universal Bank,</i>
<i>Farmer's Bank</i>	<i>for Account of Payee.</i>
<i>Not Negotiable.</i>	
9	12
<i>United Bank of London.</i>	<i>X & Y. Bank, Ltd.</i>
	<i>Under Twenty Pounds.</i>

crossing, adding the words "pay cash," together with his signature or initials. This is known as "opening the crossing." It is an irregular, though not uncommon, method of procedure, but it does not appear to have been judicially questioned.

Form of Crossing. Two transverse lines are sufficient to constitute a crossing, but the common practice is to cross a cheque generally by drawing the two transverse lines and writing the words "and Co." or "& Co." between them. If the crossing is a special one, the lines are drawn as before, and the name of the bank written between, thus, "X & Y Bank."

Duty of Banker. The duty of a banker as to crossed cheques, existing for the moment all reference to those which are marked "not negotiable," is set forth in sections 79 and 80 of the Act as follows:—

"(1) Where a cheque is crossed specially to more than one banker, except when crossed to an agent for collection, being a banker, the banker on whom it is drawn shall refuse payment thereof.

"(2) Where the banker on whom a cheque is drawn, which is so crossed, nevertheless pays the same, or pays a cheque crossed generally otherwise than to a banker, or if crossed specially otherwise than to the banker to whom it is crossed, or his agent for collection being a banker, he is liable to the true owner of the cheque for any loss he may sustain owing to the cheque having been so paid. Provided that where a cheque is presented for payment which does not at the time of presentment appear to be crossed, or to have had a crossing which has been obliterated, or to have been added to or altered otherwise than as authorised by this Act, the banker paying the cheque in good faith, and without negligence, shall not be responsible or incur any liability, nor shall the payment be questioned by reason of the cheque having been crossed, or of the crossing having been obliterated or having been added to or altered otherwise than as authorised by this Act, and of payment having been made otherwise than to a banker or to the banker to whom the cheque is or was crossed, or to his agent for collection being a banker, as the case may be."

Section 80 is as follows:—

"Where the banker, on whom a crossed cheque is drawn, in good faith and without negligence pays it, if crossed generally, to a banker, and if crossed specially, to the banker to whom it is crossed, or his agent for collection being a banker, the banker paying the cheque, and, if the cheque has come into the hands of the payee, the drawer shall respectively be entitled to the same rights and be placed in the same position as if payment of the cheque had been made to the true owner thereof."

The banker has the same protection as before in cases of forged indorsements, though he must take the risk of his customer's signature being correct. But if he deals with the cheque in any other manner than that authorised by the Act, his protection is gone, and any loss which ensues must fall upon him.

Illustrations. It is impossible to make the provisions of these sections clearer by any other means than illustrations. A draws a cheque upon the X Bank, B is the payee of the cheque. It is crossed generally. B receives the cheque and indorses it. It cannot be paid over the

counter, it must go through a banker. B pays the cheque into his own banking account at the Y Bank. The cheque is collected through the Clearing House, and the amount is credited to B's account, A's account being debited at the X Bank. This is the most general and ordinary way in which the transaction is carried out. Either A or B may cross the cheque specially to the Y bank, and the same result will happen; and if it is specially crossed to the Z bank, the Z banker will cross it again to the Y bank for collection. Now, it is necessary to see what is the position of the various parties when any irregularity arises. First as to the drawer. Unless A himself, or his duly authorised agent, draws the cheque, he cannot be debited with the amount of it by his own banker, if such a cheque happens to get paid, nor can any holder of the cheque have any right to retain it or claim upon it, but if the cheque is correctly drawn, and is given in payment of a debt, A is released as soon as the cheque gets into the real or constructive possession of B, the payee. If it is handed to B, or B's agent for B, there can be no doubt as to the transfer. If, however, it is handed to A's agent, there is no transfer until the agent has completed his work and given the cheque to B. Suppose, now, that in the course of transfer the cheque is lost or stolen. If it is payable to B or order, the indorsement of B must be placed upon it, and if any indorsement is placed there and is not B's, it is a forgery, unless B has authorised some other person to indorse it on his behalf. How, then, does the thief or the finder stand? He cannot give any title to the cheque, since there is none through a forgery. If, through ignorance of the fact of the theft or loss, the cheque is not stopped and the thief or finder has a banking account, the cheque may be paid through that account and the money eventually withdrawn, but the true owner of the cheque can on discovery recover the amount from the fraudulent payee—if he can find him. Against the X Bank, however, he has no remedy. The bank has paid under a forged indorsement, it is true; but so long as the payment has been made without negligence, and in good faith, and to the specially named banker, if the cheque was specially crossed, there is no liability resting upon him (sect. 60). If there is no recovery of the money possible from the person who has obtained payment, it is the drawer or the payee who must bear the loss—the drawer if the cheque has not been transferred, the payee if it has come into his possession, real or constructive. It is much more likely, however, that a thief or finder of a cheque will endeavour to negotiate it by some other means than through a bank, the chances of discovery being rather too formidable. His efforts will be directed towards getting a tradesman or other person to cash it for him. If the cheque is diverted, by theft or loss, before it gets into the hands of the true payee B, whether it is constructively in B's possession or not so as to exonerate A, the forged indorsement is still a necessity, and, therefore, no person can acquire a title through it. The tradesman may take the cheque in good faith, and give full value for it, and afterwards pay it through his bank; but he will be the loser. The true owner, A or B, can claim restitution from him. He never had any legal right to the cheque or to its proceeds. The bank is specially exonerated by the statutes, the tradesman not. The tradesman can never get a title through a forgery. The latter must derive what consolation he can from

his knowledge that he has a remedy over against the person from whom he took the cheque—criminal or otherwise—if he can manage to find him; but if the cheque had been lost after it had come into possession of the payee B, and after B had placed a genuine indorsement upon it, the whole position is changed, and it is B who is the loser in every sense. The cheque is a negotiable instrument, complete in form, and although a thief might find the consequences serious for himself in the long run, he can give a good title to it. Neither the tradesman who cashes nor the banker who pays can be held liable for anything. The former has become a holder in due course, the latter has always his statutory exoneration, though he must be able to show, if necessary, that there has been no negligence on his part, that he has acted in good faith, and that the payment of the cheque has been made strictly in accordance with the crossing, that is, to some banker if the cheque is crossed generally, to the banker named if the cheque is crossed specially, or to the banker who is agent for collection if the names of more bankers than one appear on the cheque. It is not difficult to see what is the result as far as all parties are concerned when a cheque, instead of being paid into a bank at once, is negotiated to a third party by the payee. If it is in order in all respects, and if there has been no forgery of any indorsement, both the holder in due course and the banker are in the same position as before. Of course, if the cheque is payable to bearer or has been generally indorsed, there is nothing to be feared at all. Enough has been said to show that the crossing of a cheque does not give absolute security, but the fact of being able to trace the persons through whose hands it has passed before being paid by the banker upon whom it is drawn goes a long way towards helping the true owner to obtain restitution under certain circumstances.

Collecting Banker. So far, the position of the paying banker—the banker upon whom the cheque is drawn—has been considered, and it has been seen that, excepting the risk as to forgery of the drawer's signature, he is practically freed from all chance of liability so long as he acts with proper prudence and in good faith. It is now necessary to notice the position of the banker who receives the proceeds of the cheque—the collecting banker. In order that anything can be done with a cheque, the banker must in some way or other deal with it. By the common law, when one person deals with the goods of another without authority, he is liable to an action for conversion. The same is the common law rule in the case of a cheque. If, therefore, A deals in any way with a cheque which is the property of B, and has no authority so to deal with it, as, for example, if he is not a holder in due course, B has a right of action against A, and A will be condemned in damages; but for Section 82 of the Act, the position of the banker would not be different from that of any other person. In the interest of commerce and banking, however, it has been provided that "Where a banker, in good faith and without negligence, receives payment of a cheque crossed generally or specially to himself, and the customer has no title or a defective title thereto, the banker shall not incur any liability to the true owner of the cheque by reason only of having received payment."

Bank Customer. This protection is very great,

but it must be noticed how carefully it has to be construed, so as to prevent any abuse. Good faith and absence of negligence are insisted upon. Also, the protection only applies to crossed cheques, and it appears that the crossing must be made before the cheque gets into the hands of the collecting banker. And then, the collection must be made on behalf of a customer. The definition of a customer has led to litigation, the two leading cases upon the matter being *Lacave v. Crédit Lyonnais*, 1897, 1 Q.B. 148, and *Great Western Railway Company v. London and County Banking Company*, 1901, App. Cas. 414, in the latter of which the House of Lords came to the decision that, in order to make a person a customer of a bank within the meaning of the protecting Section, there must be some sort of account, either a current or a deposit account, in existence, or some similar relationship must exist between the banker and the person for whom he collects the cheque. The mere fact that for many years a banker has collected and paid the proceeds of cheques to a particular individual, in order to oblige him, without any difficulty arising, will not protect the banker when a crossed cheque comes along, and the proceeds are improperly dealt with by the person who has been so repeatedly accommodated. But a person does not cease to be a customer, within the meaning of the Section, because his account is overdrawn, or the banker has allowed him a further overdraft. In the absence of some such restraint, it is clear that tremendous facilities would be given to fraudulent dealings. For example, a thief might take a stolen cheque, quite regular upon the face of it, to a banker with whom he had never had any previous dealings and ask him to collect it for him, and there would be no chance of the true owner, who might not find out his loss for some time, obtaining any restitution. The collecting banker is placed upon inquiry, and he is bound to know something of the person for whom he collects, otherwise he runs the risk of being sued for the amount by the true owner. The banker knows presumably how to conduct his own business and can take care of himself, and so long as he is guilty of no negligence, he will not be responsible for the fraudulent practices of any of his customers who turn out to be unsatisfactory in their dealings outside the bank. But if a customer is aware of any special method adopted by a banker in particular cases and acquiesces in the same, he cannot sue the banker for any loss which occurs in connection therewith.

Amending Act of 1906. Again, a banker was not entitled until the passing of the Bills of Exchange (Crossed Cheques) Act, 1906, to the protection of section 82 of the Act of 1882, if he received payment of a cheque in any other respect than on behalf of a customer, e.g., as a holder for value. The position of a collecting banker who credited the amount of a cheque to a customer before receiving payment of the same was considered in several cases. The general result appeared to be that if the banker allowed his customer to draw immediately upon the amount of the cheques paid in, he had to take the risk of the customer having a defective title to the same, and might, therefore, be liable to an action for conversion. Thus, a customer paid in a cheque bearing a forged indorsement of the payee to the X Bank for £100 on January 1st. The banker credited his customer's account with the amount, and before

receiving payment allowed the customer to withdraw a substantial portion of the £100. The banker was held liable to the true owner for the conversion of the cheque, whereas, as has been shown, if he had waited until payment was made to him by the banker upon whom the cheque was drawn, he would have been freed from all liability. The amending Act of 1906 has changed the law in this respect, and it is now enacted that "A banker receive payment of a crossed cheque for a customer within the meaning of Section 82 of the Bills of Exchange Act, 1882, notwithstanding that he credits his customer's account with the amount of the cheque before receiving payment thereof."

Not Negotiable. A further protection is given in the case of crossed cheques by marking them "not negotiable." The word takes away entirely the negotiability of a cheque (just as the bill of exchange may have its negotiability affected by it being restrictively indorsed), as they do that of a bill, though they do not in any way affect its transfer. Even a holder for value has no better right to keep such a cheque than his immediate transferor, and the true owner can always reclaim it, or the amount of it, no matter what has been done with it, although the banker who collects it and the banker who pays are fully protected, provided the collection and the payment have been made in good faith, without negligence, and in the ordinary course of business. For example, a cheque is drawn by A, made payable to B, and indorsed to C. It is crossed and marked "not negotiable." The signatures of A and B are genuine. C is the true owner of the cheque, and he indorses it. It is lost or stolen, and comes into the possession of D, who takes it into his own bank, and his banker receives payment for his customer from the bank upon which the cheque is drawn. Both banks are exonerated from liability by statute. C discovers his loss, and also that D has obtained payment. He can recover the amount from D. The position has been considered before, but with this difference as to the presence of the words "not negotiable." Since the cheque is not a negotiable instrument, D does not obtain any better title than his immediate transferor. The transferor had either stolen or found the cheque, and was not the true owner of it. As regards the true owner, C, he is in no better position than his transferor. His only remedy is to find out the money. The remarks made in the present paragraph are intended to render the law upon the subject of "not negotiable" cheques as clear as possible, and are an expansion of Section 81 of the Act, which runs as follows:—

"Where a person takes a crossed cheque which bears on it the words 'not negotiable' he shall not have and shall not be capable of giving a better title to the cheque than that which the person from whom he took it had."

It will have been observed that there are many risks run by tradesmen who cash cheques to oblige their customers, unless they happen to be well acquainted with them, and so can recover from them in case of any loss arising. To cash a cheque for a stranger is a foolish action. First, there is the risk as to the signature of the drawer being a forgery; secondly, there is a like risk as to the indorsement of the payee; and, lastly, if the cheque is marked "not negotiable," there is the

added risk that the transferor has a defective title, that is, that he is not a holder in due course. In any of these cases the tradesman must lose his money, and his chances of reimbursing himself for his loss will be practically nil, but if none of these difficulties arises, any person who has a cheque marked "not negotiable" in his possession may negotiate it in the same manner as any other cheque. It is scarcely necessary to add that the words "not negotiable" can only be added to a crossed cheque. If they are placed upon an open cheque they may be ignored. They do not make the cheque not negotiable. (See ACCOUNT OF PAYEE, MARKED CHEQUE.)

CROSS MULTIPLICATION.—(See DUODECIMALS.)

CROTON OIL.—A thick, brownish oil, with a rancid odour and hot, biting taste. It is expressed from the seed of an East Indian plant, the *Croton Tiglium*, and is useful in pharmacy as an extremely powerful purgative, the dose being limited to one drop, owing to the poisonous properties of the oil. A strong liniment, valuable for certain cases of internal inflammation, is prepared by mixing the oil with alcohol and cayenne oil. The West Indian *Croton eleuteria* is the source of cascarrilla bark (*q.v.*).

CROWN AGENTS.—Crown agents for the colonies are officials who are appointed by the British Government, through the Secretary of State for the Colonies, to act as business and financial agents for the colonies and protectorates to which they are attached. There are about fifty of these officials at the present time. The self-governing Dominions appoint agents of their own.

CROWN GLASS.—(See GLASS.)

CROWN PIECE.—This is a British coin of the value of 5s., or one-fourth of a £. Its standard weight is 436.3633 grains troy, and its standard fineness is thirty-seven-fortieths fine silver and three-fortieths alloy. The crown piece was first coined about the middle of the sixteenth century. (See COINAGE.)

CRUCIBLES.—Open vessels, usually of fireclay, used for fusing metals, glass, etc. They must, of course, be made of an infusible material, which will remain unaltered by the contents. Fireclay, either alone or mixed with plumbago, resists all but the highest temperatures. Platinum, porcelain, gold, silver, iron, carbon, and lime are other substances from which crucibles for special purposes are manufactured.

CRYOLITE.—A greyish mineral found in large deposits on the west coast of Greenland and to a less extent in the Ural Mountains. It is a double fluoride of aluminium and sodium, and was once the principal source of aluminium. It is now used in the manufacture of glass, but chiefly in the production of alum and caustic soda.

CUARTILLA, CUARTILLO.—(See FOREIGN WEIGHTS AND MEASURES—SPAIN.)

CUBA.—This is the largest island of the West Indies, and is situated at the entrance to the Gulf of Mexico, and separates that gulf from the Caribbean Sea. From the time of its discovery by Columbus until 1898 it was a Spanish possession, but in that year it was ceded to the United States on the conclusion of the Spanish-American War. Four years later, Cuba was constituted into a republic, subject to certain limitations; but in 1906 the United States interfered on account of internal disorders, and American troops occupied the island until 1909, when a second attempt was made at self-government.

The area of Cuba is a little over 44,000 square miles, and the population is rather less than 2,200,000. About 30 per cent. of the inhabitants are negroes or mulattoes. Its greatest length is 730 miles, and its breadth varies from 20 to 90 miles.

Relief. A range of mountains runs right across the island, though the elevation is not great except in the eastern portion, where Turquino Peak—Pico del Turquino—attains a height of 8,400 ft., and forms a prominent landmark. There are practically no rivers.



Productions. Tobacco and sugar are the principal products of Cuba, the former being specially renowned, and, with the exception of the work connected with these articles, there are no manufactures carried on. Tropical fruits are being raised and exported in increasing quantities, and there is a growing timber trade, the forests of ebony and mahogany being very extensive. The minerals are another source of profit, and iron, manganese, and copper are exported, as much as 50,000 tons per month of the first-named being shipped to the United States. The imports consist almost entirely of manufactured goods. Owing, undoubtedly, to the political connection of a few years ago, the major portion of the foreign trade of Cuba is with the United States. Both the United States and Cuban currency are legal tender in the island.

The communications in the island were very bad until the introduction of railways, as there are practically no roads worthy of the name. At the present time there are over 2,500 miles of railways open.

Towns. *Havana*, the capital, is a splendid city on the Strait of Florida. It is noted for its cigar and tobacco factories. The population is estimated at about 650,000.

Santiago is the second city, situated on the south coast. Near it are the most extensive non-mines of the country. Population, 50,000.

The other towns of note are *Matanzas*, *Cienfuegos*, *Cardenas*, and *Camaguey*.

Mails are regularly despatched from Great Britain to Cuba, either direct or via the United States, twice a week, Wednesdays and Saturdays. The time of transit is about twelve days.

CUBEBS.—The dried berries of the *Piper Cubeba*,

a climbing shrub of Java and Sumatra. The greyish-brown seeds are about the same size as those of black pepper. They have an aromatic taste and a peculiar odour. A volatile oil, a crystallising substance known as cubebin, and cubebic acid are obtained from them. They are used in pharmacy as remedies for indigestion, sore throat, etc. They are also known as cubeb pepper.

CUCUMBER.—The large, oblong fruit of a species of *Cucumis sativus*, a native of Asia. It is usually grown in frames or greenhouses, but certain varieties flourish in the open air in the South of England and in other localities of the same temperature. The juice of the fruit contains a powerful drug. Cucumbers are much used for salads and for pickles, a small variety, known as gherkins, being used for the latter purpose.

CUDBEAR.—A purple dye obtained from a lichen. It is one of the preparations of archil (*q.v.*). Owing to its fugitive colour, it is no longer in great request.

CULILABAN BARK.—The aromatic bark of the *Cinnamomum Culilaban*, an East Indian tree of the same genus as the cinnamon. It is sometimes called clove bark, as its odour is similar to that of cloves. It is used medicinally as a remedy for indigestion and diarrhoea.

CUM DIVIDEND.—This term signifies "with the dividend that is due or accruing." If stocks or shares are thus sold, the buyer takes the benefit of the dividend that has to be distributed. When they are sold "ex dividend," the seller disposes of the securities, but retains the dividend owing or accruing upon them for himself.

CUM DRAWING.—This term is used when bonds are dealt in at or near the time when a drawing takes place. It means that the securities are sold with any benefits that may arise from the drawing, and if the bonds are drawn for repayment at par, or at a premium, the buyer receives the profit.

CUMMIN.—Also spelt Cummin. An umbelliferous plant of Southern Europe, Egypt, and other parts of North Africa, and India, cultivated for its seeds, which somewhat resemble caraway seeds in their properties. They contain a volatile oil, to which they owe their aromatic flavour. In the north of Europe they are sometimes mixed with cheese and with bread. The chief supplies come from Morocco. Their medicinal use is now confined to horses and cattle.

CUM NEW.—This signifies the right to claim any new shares or new issues of stock about to be issued in virtue of present holdings. Joint-stock companies, when increasing their capital, sometimes offer a number of new shares to each of the existing proprietors, and as such shares usually command a premium in the open market, shareholders often sell their right to the allotment by signing a letter of renunciation in the buyer's favour, by which means the former would secure the premium on the new shares without incurring any liability with respect to them. The original shares, if dealt in about that time, and sold with the right to claim the allotment of the new shares, would be quoted "cum new."

CUMULATIVE DIVIDEND.—Preference shares have a preferential right to dividend before ordinary shares, and if the profits of the company in one year are not sufficient to pay the full dividend, the profits of succeeding years are used for that purpose, and, until the preference shares receive a full dividend for each year, the ordinary shares receive

nothing. The dividend in such cases is called cumulative.

If, however, the preferential right as to dividend is confined merely to the profits of each year, the dividend is non-cumulative.

CUMULATIVE PREFERENCE SHARES.—These are securities upon which, if the guaranteed dividend cannot be paid in any one year, or any series of years, the dividend accumulates until it can be paid. Such accumulated dividend is entitled to payment before any dividend is paid, on either the preference or the ordinary shares in any succeeding year, the revenue for any year being first applied to payment of dividend for the current year, and then to payment of the arrears, commencing with those of the nearest years. (See PREFERENCE SHARES.)

CURAÇOA or CURAÇAO.—A liqueur first manufactured in the Dutch West Indian island of that name. It is now chiefly made at Amsterdam from the dried rind of the Curaçao orange, which is steeped in water and afterwards distilled with alcohol. Sugar and Jamaica rum are then added. There are three qualities, varying in colour, viz., orange, white, and green. The quantity of alcohol contained is usually just under 30 per cent. There are many imitations, one being made from the rind of bitter oranges and whisky.

CURRENTS.—The name applied generally to the dried berries of a variety of vine grown in the Levant, and to the red, black, and white garden currants grown in England. The latter are much used for jellies, wines, and preserves, and the fresh fruit is also much appreciated. The grape currant was first cultivated at Corinth, and the word "currant" owes its origin to that fact. It is now grown also in the Ionian Islands and in parts of Italy. A sweet wine is made from the fruit, but the latter is mainly cultivated for export. The trade in it is practically monopolised by Greece. The culinary uses of currants are numerous, and their value as an article of food is generally recognised.

CURRENCY.—The word was originally applied to the currency, or passing from hand to hand, of money, but it has now come to be applied to the money itself—gold, silver, and copper. Bills of exchange, bank notes, cheques, and any other documents which act as a substitute for coins are also included under that term.

The currency or circulating medium by which sales and purchases were effected in olden times was represented in different countries by articles, such as sugar, furs, fish, cloth, cowries, salt, and blocks of tea. A depreciated currency is a currency the exchange value of which is not equal to its nominal value in bullion.

The period for which a bill of exchange is drawn, or the period which it has to run before maturity, is spoken of as the currency of the bill. The currency of a bill payable after sight begins when the bill is accepted. (See COINAGE, MONEY.)

CURRENCY BONDS.—These are bonds which are issued by various American railway companies, the principal and interest of which are repayable in the currency of the United States, i.e., the bonds may be repaid in paper, silver, or gold.

CURRENCY CERTIFICATES.—These are certificates which are issued to bankers and other persons by the Treasury of the United States against the deposits of Treasury and Government Notes.

CURRENCY, FIDUCIARY.—(See FIDUCIARY CURRENCY.)

CURRENCY OF BILL.—This is a commercial term used to signify the period between the date upon which a bill is drawn and that upon which it becomes payable. In the case of a bill at sight (*qv*), the currency begins to run from the date of the acceptance of the bill. In the case of a bill drawn after date (*qv*), the currency begins to run from the date of the bill.

CURRENCY OF BRITISH DOMINIONS AND COLONIES.—(See FOREIGN MONIES.)

CURRENCY SYSTEM AFTER THE WAR.—This undoubtedly constitutes the greatest of our reconstruction problems. For we have temporarily cut ourselves adrift from the solid basis of gold, enjoined by the Currency Act of 1816 and confirmed by the Bank Charter Act of 1844, and are for the moment at large upon an ocean of paper money. Unless the gold standard is speedily restored the uncertainty of the monetary situation will handicap our industry and will seriously jeopardize our position as an international financial centre. However, certain broad principles that, acted upon, will restore confidence, have been advocated by the important *Committee on Currency and Foreign Exchanges after the War*, and the advocacy has been unanimous, so that we may anticipate its conclusions being carried into effect. The interim report of August, 1918, has been freely drawn upon for the purposes of this article.

Before the War, the currency consisted—except for the fiduciary issue of £18,450,000 that the Bank of England was authorized to make—entirely of gold and subsidiary coin, or of notes against which the Bank of England held coin or bullion; gold was coined by the Mint without charge; and there was absolute freedom in the passage of gold to and from the country. We had a complete and effective gold standard. That is to say, notes were at an absolute parity with gold coins of the same face value, and both coin and notes were at parity with gold bullion.

War conditions disturbed this gold standard. It was deemed necessary to suspend the Bank Act, and to give the Treasury authority to issue currency notes of one pound and ten shillings as legal tender throughout the kingdom. To meet its prodigious war expenditure, the Government was apparently driven to create bank credits for itself by so great an issue of notes that the gold standard ceased to be effective. The Fiduciary Issue—that is, the notes uncovered by gold and accepted because of the credit of the issuers—had increased from £18,450,000 to £248,862,000 on the 10th July, 1918. Under ordinary conditions this excessive issue of notes, accompanying and helping to cause high prices and unfavourable exchanges, would have led to a rapid and, perhaps, complete depletion of the Gold Reserve. For both Bank of England notes and currency notes are payable in gold on demand. To preserve the Gold Reserve during normal times, a rise in the discount rate checks the creation of banking credit, lowers prices, encourages exports, and induces gold to flow to the country. War conditions rendered this machinery unnecessary for the moment: people were content to employ the currency notes for internal purposes, and the submarine menace was a practical obstacle to gold export. But war conditions no longer protect our gold, we cannot borrow abroad indefinitely to support foreign exchanges, and it is imperative to adopt measures that will restore the effective gold standard.

The measures recommended are the following—

1. The cessation of Government borrowing as soon as possible, and the creation of a sinking fund out of revenue in order to liquidate capital liabilities, more especially the floating debt of the country. War expenditure could not be met by taxation, nor by loans from the actual savings of the people; it was therefore met by the creation of credit. A continuance of the credit expansion will threaten not only our gold reserves but national solvency itself.

2. The raising of the Bank rate of discount operated as an effectual check before the war on a foreign drain of gold. It must again be put into working order, even though this entails the absence of cheap money.

3. As soon as possible the issue of notes uncovered by gold should be once more limited by law. That is, the existing arrangement, under which credits at the Bank of England may be exchanged for legal tender currency without affecting the reserve of the Banking Department, should be terminated. The note issue should be (except for existing private issues) entirely in the hands of the Bank of England; and the notes should be legal tender throughout the kingdom, and payable in gold in London only. Gradually the amount of currency notes will be restricted, and ultimately they will be retired and replaced by Bank of England notes of small denominations. In regard to these notes the principle of the Bank Act of 1844 will be rigidly adhered to; that is to say, the fiduciary issue will be fixed—the amount is at present uncertain—and notes beyond this amount will be issued only against gold. Subject to stringent regulations, however, the Bank of England will, with the consent of the Treasury, be empowered on an acute emergency to issue notes in excess of the legal limit.

It will not be necessary, nor will it be desirable, to afford the luxury of an internal gold circulation. The public has acquired the paper-money habit; and provided there is assurance of convertibility at the Bank of England, will not hesitate to accept notes. Nor will it be necessary for banks other than the Bank of England to maintain a gold reserve. The firm basis of the gold standard will be in the hands of the central institution, to which all existing reserves will be transferred. The minimum gold reserve, replacing the pre-war reserve of about £38,500,000 and an estimated amount of £123,000,000 in the banks and in circulation, will be £150,000,000. Economy in the reserve will be possible because its concentration will give it greater mobility.

There will be freedom of import and export of gold. In order, however, that the Bank of England may be at once cognisant of the depletion of gold, any gold for export must be obtained from the Bank. Not that the Bank will place obstacles in the way of exporters, but in order to furnish indications of the need to raise discount rates.

The point emphasized throughout is that, if London is to keep its position as the world's clearing house, the effective gold standard must be re-established as speedily as possible, and be maintained unimpaired.

CURRENT ACCOUNT.—(See ACCOUNT, CURRENT.)

CURTESY.—This is the name of a peculiar kind of interest which a husband possesses in the real estate of his deceased wife, supposing the wife has died intestate, *i.e.*, without making a will. Under certain circumstances, the surviving husband is

entitled to receive the rents and profits arising out of her freehold lands during his own life. This estate, called the "estate by the curtesy of England," can only arise if the husband has had by his wife a child born alive who actually does or who might have inherited the estate. The two points to be observed are these: The wife must not have disposed of the estate by will, and there must have been a child capable of inheriting, though it is quite immaterial whether the child is alive or dead; so long as there was at any time a child capable of inheriting, that is sufficient. In the case of copyholds (*q.v.*), the right to this curtesy estate only arises by special custom. (Compare DOWER, FREEBENCH.)

CUSTODIAN TRUSTEE.—(See PUBLIC TRUSTEE.)

CUSTOM AND USAGE.—There is no doubt that much of the law of England, as is also the case in other countries, is the outcome of customs and usages which came into vogue when the common law (*q.v.*) was as yet unfixed, and custom and usage have played a great part in the moulding of mercantile law (*q.v.*). At the present day the customs and usages of the different classes of the community have still great weight, and if they can be shown to be of general acceptance amongst the people to whom they refer, judicial notice will be taken of them, and they will obtain the force of law. If a custom is accepted in all parts of the country it becomes a portion of the common law. If it is accepted in a limited locality, it is an exception to the common law. In order to establish a custom it must be shown to be of general force in the locality to which it is endeavoured to apply it, and to have been relied upon and acted upon for immemorial time. A custom must be, as it is said, "a reasonable act, iterated, multiplied, and continued by the people from the time whereof memory serves not," or, in other words, it must be "ancient, reasonable, certain, and have been continually and peaceably enjoyed." No custom will be upheld if it is unreasonable or uncertain, and if there is anything about it which savours of arbitrary power it cannot be maintained. The best illustrations are the customs of gavelkind (*q.v.*), borough English (*q.v.*), manors, markets, fairs, etc. No custom, however, can vary or alter any contract evidenced by a document in writing, unless, besides having the necessary ingredients of certainty and immutability, it is one that is well known to all the parties to the contract.

A trade usage is a kind of custom which prevails amongst traders and merchants, and is one of the bases upon which business is conducted. It must be reasonable and not repugnant to the law of the land, but it differs from a custom in this respect, that it does not require the consecration of antiquity. It is sufficient to show that the usage is generally acquiesced in by the vast majority of the persons concerned with it, and if this is proved the usage will be recognised and enforced in a court of law. The chief difficulty in connection with a usage is its proof; but this is a matter of legal practice with which this work has no concern.

CUSTOMER, BANKING.—The most ordinary meaning of this term is a person who has a current account with a bank. But by section 82 of the Bills of Exchange Act, 1882, it is provided that where a banker collects a cheque, crossed generally or specially to himself, for a customer, the banker is protected, if he has acted in good faith and without negligence, even if an indorsement should prove

to be a *forfeity*. The person for whom it is collected must, however, be a customer. It has been decided judicially that in order to make a person a customer of a bank within the meaning of the section, there must be in existence either a deposit or a current account, or some similar relationship.

When money is put into a bank by a customer, it is really lent to the banker, and the banker becomes, not the trustee for the money, but the debtor of the customer. If the banker was held to be a trustee, he would be compelled to render an account of all the profits made by him with the moneys deposited at his bank. Such a state of affairs would render modern banking an impossibility. In the event of the banker's failure, the customer claims upon the estate of the banker as an ordinary creditor. As such he has a preference over all the shareholders of the bank.

CUSTOM HOUSE.—The place appointed by the Government of a country for the imposition and collection of duties upon the importation of certain commodities.

CUSTOMS BILLS OF ENTRY.—Daily lists issued in the United Kingdom by the Customs authorities (to merchants and others subscribing), containing a summary of British shipping, useful for general information.

BILL "A."—Shows the ship's reports inwards, and contains a full list of the cargo in each of the different boats, classed under the various ports at which the vessels have arrived.

BILL "B."—Shows the exports, imports, and general shipping in the country. It gives a full list of all exported and imported goods, classed under their different headings, and enumerates the various ships, arrived, those loading, and those leaving port.

CUSTOMS DEDUCTION.—A certificate issued by the officers of customs that certain goods entitled to drawback have been entered and shipped for exportation. On it the exporter declares, in the presence of the official through whom the money is paid, that the goods have been actually shipped, and are not intended to be re-landed in the United Kingdom, and that he is entitled to the drawback claimed.

CUSTOMS DECLARATION.—The sender of every parcel by post to or from the Channel Islands, any British colony, or foreign country, is required to make out a customs declaration on a form provided for that purpose. This form must contain an accurate statement of the nature and value of the contents of the parcel, the date of postage, and the net weight of the articles contained in the parcel. If the parcel is destined to the Continent of Europe, the customs declaration should be filled up in French and English, and accompanied by a despatch note (*q.v.*).

CUSTOMS DUTIES. (See CUSTOMS FORMALITIES.)

CUSTOMS ENTRY.—A list given to the Customs authorities by the importer or shipper, showing the weight, value, and description of goods to be landed or shipped. (See *ENTRY*.)

CUSTOMS FORMALITIES.—For the purpose of Government statistics (Board of Trade Returns), all goods, whether exports or imports, have to be declared by stating quantity and value. These returns are made to H.M. Customs at the port of export or import.

For Customs purposes, goods are classified primarily as free goods and dutiable goods. In the case of free exports, the necessary documents have to be lodged within six days of the clearance of the

vessel, whilst in the case of dutiable exports, particulars have to be given to the Customs officials at time of shipment. Imports have to be declared and duty, if any, paid before the Customs will release the goods, so that delivery can be taken of them.

In treating with the Customs, special forms are required to be used, and these can usually be obtained from a specified law stationer at the port, but a list is invariably exhibited at the Customs House stating where the forms can be obtained and the prices of them.

Before proceeding further, let it be mentioned that the following goods are liable to duty, viz.: Sugar, tobacco, tea, coffee and chicory, spirits, wine, beer, and any goods containing sugar or spirits; but the various articles will be dealt with fully later.

Goods exported are not liable to any duty whatever as exports, and if the article has paid duty at the place of manufacture (that is to say, excise duty), or has been imported and duty paid on arrival in Great Britain, the full duty paid in some cases is refunded and in other cases a portion only is refunded.

For the purpose of simplifying matters, these Customs formalities may be divided into two headings, viz.: "Exports" and "Imports."

Exports. When declaring goods to the Customs it is necessary to define each article in a set way before the document will be accepted by the Customs authorities. In order that this may be carried out, an export list and appendix is published, and this can be obtained complete from a specified legal stationer who sells Customs forms. As particulars are liable to be altered from time to time, a new list is published on January 1st each year.

Free Goods are divided into two classes, viz.: British manufactured goods and foreign manufactured goods.

When declaring free goods, the form used is known as a "specification," and in the case of British manufactured exports is a white form.

For example, take a package containing British manufactured yarn being shipped from London to China, the particulars given and the form of specification are as shown on page 491.

When foreign free goods are declared, a specification slightly different in form from that of the ordinary form is used, and is of pink colour.

The definition given would apply in regard to manufactured goods arriving at London from America. After a time it is found necessary to ship the goods from, say, Glasgow to Australia. It is understood, of course, that no alteration in the character of the goods takes place. On p. 491 is given the form of specification for foreign goods which would be used in this instance and in all cases of a similar nature.

To describe foreign goods under the above circumstances, the export list is used, as exactly the same classifications are required as for ordinary British manufactured goods.

The following goods are not allowed to be exported from Great Britain except under special conditions, viz. —

British or Irish Spirits in not less than 9 gallon casks.

Explosives (according to Explosives Act, 1875).

Salmon (according to Salmon Fishing Acts).

Tobacco is only allowed to be shipped at a port

• SPECIFICATION for British and Irish Goods only.
C. James, Master, for Hong Kong.

Port of Liverpool. Ship's Name *Ranger* Date of Final Clearance of Ship
 • The Specification of Goods exported must be delivered to the proper Officers of Customs within six days from the time of the final clearance of the Ship, as required by the Customs Laws.

Marks.	Nos.	Number and Description of Packages.	Quantity and Description of British and Irish Goods, in accordance with the requirements of the Official Export List.	Value* (f. o. b.) £	Final Destination of the Goods.
A B	2s	1 Case	Grey Cotton Yarn	660 Pounds	China
TOTAL				48	

*The "f. o. b.," or free on board, value should be given.

I declare that the particulars set forth above are correctly stated.

(Signed) *Smith & Barlow, Agents,*
A. Firth
 (Countersigned)
Officer of Customs.

Dated

491

• SPECIFICATION for Foreign Goods free of Duty, or on which all Duties have been paid.
C. James, Master, for Hong Kong.

Port of Liverpool. Ship's Name *Ranger* Date of Final Clearance of Ship
 • The Specification of Goods exported must be delivered to the proper Officers of Customs within six days from the time of the final clearance of the Ship, as required by the Customs Laws.

Marks	Nos.	Number and Description of Packages	Quantity and Description of Foreign Goods, in accordance with the requirements of the Official Import List	Country whence Goods were consigned when imported	Value* (f. o. b.) £	Final Destination of the Goods.
C D	3/4	2 cases	Flour	336 lbs	Austria	China
TOTAL					25/-	

*The "f. o. b.," or free on board, value should be given.

We declare that the particulars set forth above are correctly stated.

(Signed) *Smith & Barlow.*
A. Firth,
 (Countersigned)
Officer of Customs.

Dated

or place which is approved by the Customs for importation.

Arms, Ammunition, Gunpowder, and Military and Naval Stores are not allowed to be exported.

Dutiable Exports. When dutiable goods are exported (i.e. on import duty having been paid), the Customs allow a refund of the duty or portion of the duty which has been paid, providing the goods are produced and proof lodged with them that the merchandise has actually been shipped as stated; this refund is called "a drawback." Previous to shipment a shipping bill and a claim for drawback have to be lodged, and, if necessary, the bill of lading must be produced.

A form of shipping bill is given on p. 495.

Drawback is allowed upon the following goods and to the extent noted:-

	Rates of Drawbacks
<i>Ad Valorem</i> Articles where cop ad valorem duty was paid on import	£ s d
	Duty paid allowed

Beer Exported as merchandise for ship's stores after previous importation. This includes removal to the Isle of Man. Of an original specific gravity of 1055 For every 36 gall

3 10 3

And so on for any difference of gravity.

Chicory See Coffee

Cigarettes } See Tobacco

Cigars

Cocoa Exported or for ship's stores where such imported Cocoa has been used in manufacture, in Great Britain or Ireland

Same as original import duty paid

Coffee Chicory or mixtures of the two. Roasted and exported or shipped as ship's stores where import duty has been paid

(a) Chicory For every 100 lb	1 14 4
(b) Coffee For every 100 lb	2 2 0
(c) Mixtures For every 100 lb	1 14 4

If any substance not ordinarily mixed with Coffee or Chicory be exported

nil

Dried Fruit Such as Figs, Fig Cake, Currants, Raisins, etc.

Exported or shipped as ship's stores, where in Great Britain or Ireland the above have been used in the manufacture of the export

Equal to the original import duty paid

Glucose As Sugar

Molasses Produced by a refiner in Great Britain or Ireland from imported sugar for use of a distiller or for food for stock solely

For every cwt 0 5 8½

Other than above See Sugar

Motor Vehicles See Ad Valorem

Saccharin Used in the manufacture of goods other than beer See Sugar

Sugar Which has passed a refinery in Great Britain or Ireland, and whereon the proper Import duties have been paid

Same as Import duty on a like polarization

On exportation, shipment for use as ship's stores, and deposited in any bonded warehouse or removed to the Isle of Man

Goods exported, or as ship's stores, or removed to the Isle of Man, manufactured from imported duty-paid Glucose, Saccharin, Sugar or Molasses

Respecting the quantity of Sugar, etc., so used

Rates of Drawbacks
£ s. d.

Same as the Import duty thereon.

Tobacco Where Customs duty on importation has been paid

Exported or shipped as ship's stores:-

(a) Cigarettes For every lb.	9 1
(b) Cigars For every lb.	9 3½
(c) Other For every lb.	8 10
(d) Snuff, except offal. For every lb.	8 7
(e) Refuse put in bond or for abandonment in the King's Warehouse For every lb.	8 4½

In order to verify any particulars given when clearing goods, the Customs authorities are empowered by law to call upon the exporter to produce invoice or other proof appertaining to the description, quantity, value, or origin of the goods. If any discrepancy or inaccuracy is then discovered it is optional for the Customs to inflict a fine of not exceeding £5 for each offence.

The Customs authorities can also call upon a shipowner or shipowners to produce a list of all the goods shipped by any of his or their steamers. This is called the Customs Manifest, and, as will be seen from the facsimile on page 494, it goes very fully into details. It is used for comparison with the specifications, and, as in the case of when an invoice has been produced, any discrepancy found makes the responsible party liable to the fine as mentioned previously.

Imports. Free Goods These form the greater proportion of merchandise imported into Great Britain owing, of course, to the fact that this country is a free trade country.

As in the case of exports, imported goods have to be declared to the Customs under heading prescribed by them. For this purpose, reference is necessary to the Import List and Appendix, which, as in the case of the Export List, may be obtained from a legal stationer at any port. The form used is known as a free entry, and on p. 496 is given a facsimile of one.

These free entries must be lodged in duplicate, and each copy must be indelible. A separate entry is required in each case for goods coming under the category of corn and grain, farinaceous substances, cattle, and bullion.

The following are the chief goods importation of which is prohibited: Books of British copyright (unless the copyright has lapsed), clocks and watches, etc., bearing the British assay marks or purporting to be of British manufacture; false or counterfeit money, same, of course, not being of the British standard; lottery advertisements; dogs, unless licensed, and then only after having had six months in quarantine; infected cattle; indecent or obscene literature and prints, etc.; matches made with white phosphorus.

Duties. The following list of duties is accurate for the early part of the year 1920, and the Finance Acts of each year must be watched in order that there may be a true knowledge attained at any particular date subsequent to 1920.

	Rate of Duty. £ s. d.		Rate of Duty. £ s. d.
Beer : Including Mum, Spruce, Black Beer, Berlin White Beer, or other similar preparation, whether fermented or not.		(2) Dried or otherwise preserved without sugar For every cwt. . .	10 6
For every 36 gallons, whereof the worts are or were before fermentation of a specific gravity—		Films : See Cinematograph Films.	
(a) Up to 1215°	14 2 0	Fruit *: (1) See Dried Fruit and Sugar.	
(b) Exceeding 1215°	16 10 5	(2) Confectionery: (a) Preserved in sugar and not liable to duty as such Canned or bottled in THIN syrup, including Pineapples. For every cwt.	3 5
Beer other than the above: For every 36 gallons, whereof the worts are or were before fermentation of a specific gravity of 1055° and so on in proportion for any difference in gravity.	3 10 6	Canned or bottled in THICK syrup For every cwt.	15 1½
Herb Beer. For every gallon	2	Crystallised Glace, or Metz For every cwt.	1 5 8
Blacking *: Whether liquid or solid, which contains any sweetening matter. For every cwt.	5 8½	Fruit Pulp in THIN syrup. For every cwt.	5 8½
Brandy : See Spirits		Fruit Pulp in THICK syrup For every cwt.	18 6½
Caramel *: Liquid For every cwt.	18 6½	(b) Fruit liable to duty as such—	
Solid. For every cwt.	1 5 8	Crystallised, Glacé, or Metz, or in pulp, including Jam or Fruit Jellies and canned or bottled, in syrup. For every cwt.	1 5 8
See also Confectionery.		Imitation (whether crystallised or not) For every cwt.	1 5 8
Cards : Playing For every twelve packs	3 9	Geneva . See Spirits	
Cherries *: Drained For every cwt.	13 11½	Ginger *: Preserved in Syrup or Sugar. For every cwt.	18 6
Chicory : (a) Ground or roasted Per lb.	6	Glucose Liquid. For every cwt.	16 3
(b) Raw or kiln-dried. Per cwt.	1 19 8	Solid For every cwt.	11 8
See also Table of Preferential Rates.		See also Preferential Rates	
• Chloral Hydrate : For every lb.	1 9	Gums Viz., Soft Confectionery.	
Chloroform : For every lb.	4 4	A B imported in bulk, in barrels or cases For every cwt.	11 8
Chocolate *: See Cocoa		Where exceptional regulations apply, including Turkish Delight, etc. For every cwt.	18 6
Chutney *: For every cwt.	11 8	Jam : See Fruit Pulp.	
Cider : Not containing added spirit For every gallon	4	Licence *: For every cwt.	8 3
(1) Otherwise, if the importer declares that the duty on the sugar used did not exceed 4s 7d per cwt For every cwt.	4 7	Cigarettes : For every lb.	12 7
Confectionery *: (1) Containing sugar and flavouring ingredients only. For every cwt.	1 5 8	Cigars : For every lb.	15 7
(2) Hard (e.g., Caraway Seeds). For every cwt.	15 8	Cinematograph Films : Imported for the exhibition of pictures and other optical effects by a cinematograph or similar machine For every linear foot of standard width of 1½ in	
(3) Soft. See Gums		(a) Blank, viz., whereon no picture is impressed and known as raw film or stock	½
See also Caramel, Cherries, Chutney, Coconut, Figs, Fruit, Ginger, Gums, Marmalade, Marzipan, Jam, Milk, Peel, Petals of Flowers, Soy, and Tamarinds		(b) Negatives, viz., containing no photograph from which positives may be printed	5
Cordial : See Spirits		(c) Positives, viz., containing a picture ready for exhibition	1
Currants : See Dried Fruit, below.		Clocks : And component parts	½ of the value.
Dried Fruit : Or otherwise preserved without sugar		Cocoa . (a) Pure. For every cwt.	2 2 0
(1) Currants. For every cwt.	2 0	(b) Butter For every lb.	4½
(2) Figs and Fig Cake, Plums (French), Prunellos, and Raisins For every cwt.	10 6	(c) Husks and shells. For every cwt.	6 0
See also Preferential Rates		(d) Preparations of Cocoa, etc. (e.g., Chocolate*) See also Preferential Rates.	
Ether : Acetic. For every lb.	2 7	Coconut *: Preserved, such as candied For every cwt.	11 8
Butyric. For every gall.	1 1 10	Coffee : (a) Raw For every cwt.	2 2 0
Sulphuric. For every gall.	1 16 6	(b) Kiln-dried, roasted or ground For every lb.	6
Ethyl : Bromide. For every lb.	1 5	See also Preferential Rates.	
Chloride For every gall.	1 1 10	* Liable to an additional charge of ½d. per lb. if spirit is used in the manufacture.	
• Iodide . For every gall.	19 0		
Figs : (1) Confectionery * For every cwt.	10 6		

PORT OF Liverpool.

Customs Manifest of the *Ranger* C
for Hong Kong

Master C James
cleared

Number of Bills of Lading.	Shippers	Marks and Numbers	Number and Description of Packages	Weight of Goods in Packages		
				Tons	Cwt	Lbs
1	A. C. Clark & Co.	A B 28	1 case Cotton Yarn		5	1
2	C. Duncan & Son	C D 3/4	2 " Flour		5	1

I We declare the above to be a correct account of the Cargo in accordance with the provisions of "The Revenue Act, 1884"
(Signed) *Smith & Barlow*
A. Firth

	Rate of duty.		
	£	s.	d.
Collodion : For every gallon.	1	14	11
Condensed Milk* (1) Separated or Skimmed			
For every cwt	11	8	
(2) " Full Cream " For every cwt.	10	6	½
Liquors (1) Requiring Spirit, each	1	0	
(2) Otherwise, each		6	
Liqueurs. See Spirits			
Marmalade* If not made from Fruit, liable to duty as such. For every cwt	18	6	½
Marzipan* For every cwt	15	1	½
Matches Of all descriptions			
(1) On any number in a box not exceeding 80 For every standard gross of 10,000 matches	5	2	
(2) On any number in a box exceeding 80 For every standard gross of 10,000 matches	3	5	
Methyl Alcohol. See Spirits			
Milk* Powder (a) Subject to certain conditions For every cwt	9	4	½
(b) Other than (a) For every cwt	1	1	1
Molasses And invert Sugar, and all other sugar and extracts therefrom which cannot be completely tested by the Polaroscope and on which duty is not otherwise charged : It containing 70% or more of sweetening matter Per cwt	16	3	
Less than 70%, but more than 50 % Per cwt	11	8	
Less than 50% Per cwt	5	8	½
Motor Spirit For every gallon		6	
Motor Vehicles Of all descriptions and accessories and component parts, excepting tyres	½ the value of such.		
Musical Instruments Including Gramophones, Pianolas, etc., and any accessories or component parts.	½ the value of such.		
Naptha. See Spirits			
Peel*, Candied or Drained For every cwt	18	6	½
Petals* And Flowers crystallised as fruit For every cwt	1	5	8
Pianolas. See Musical Instruments (above)			
Playing Cards For every twelve packs	3	9	
Plums. See Dried Fruit			
Prunellos } See Dried Fruit.			
Prunes }			
Pulp. See Fruit			
Raisins. See Dried Fruit			
Rum. See Spirits			
Saccharin And Mixture containing Saccharin or other similar substance For every ounce	8	3	
Snuff. See Tobacco			
Soap Transparent, where spirit has been used in the manufacture For every lb		3	
Soy* Containing any sweetening matter, excluding Saccharin For every cwt.	5	8	½

* Liable to an additional charge of ½d per lb. if spirit is used in the manufacture

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AND DICTIONARY OF COMMERCE

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Port of *Liverpool*.

* Erase
the words
that do
not apply }

SHIPPING BILL FOR ***DRY**
WET GOODS AS MERCHANDISE.

Under Inland Revenue Bond.		Under Customs Bond.	
Collection		Warehouse	
District			
Station		Number	
Date		Month and Year	19 ..

Export Ship } *Brakhan* Master *R. Rand* for *Lagos*

Entered Outwards Bond given

Station Lighterman

Conveyance Carman

R. Robert & Co., Exporters or Agents.

Pierhead, Liverpool. Address.

Shipping Marks and Numbers, and Final Destination.	Number of Packages	Description of Packages	Description of Goods.	Quantity.				Country whence goods were consigned when imported.	Rate of drawback (if any) claimed	Value.
				Wet Goods	Dry Goods					
				Gallons, etc.	cwts.	qrs.	lbs.			
× ×	1	Case	N B — These goods must be produced to the Customs Officer at time of Shipment. <i>Tobacco O.S.</i>		1	0	20	<i>America</i>		25

..... Officer.

..... Date.

* For Goods ex Customs Warehouse at Port of Shipment the Shipping Bill must be signed by the Officer in charge of the Accounts.

..... Officer.

..... Date.

* For Goods ex Customs Warehouse at Port of Shipment the Shipping Bill must be signed by the Officer in charge of the Accounts.

We declare that the quantity, description, and value of the goods entered in this Shipping

Bill are correctly stated *

further declare that the goods are of British manufacture,

and claim Drawback on

R. Robert & Co., Exporter or Agent.

Received the above-mentioned packages on board }
this Ship

T. Kolman, Master or Mate.

(Countersignature of
Officer of Customs

Particulars of Examination }
and Certificate of Shipment }
to be inserted here.

Export Examining Officer.

N.B.—The Lightermen or Carman are particularly required to give immediate notice to the Export Examining Officer if any of the above-mentioned Goods be shut out of the Vessel, and on no account to take them to any other Ship than the one above-named without his permission.

Strike
words
italics
not re-
red.

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Collector's No. and Date

ENTRY FOR FREE GOODS.

Port of <i>Liverpool</i>		Master's Name. <i>R. J. J. J.</i>		Port of Origin <i>France</i>
Duty Station <i>Queensbury</i>		No. of Packages and Description of Goods in accordance with the Official Import List		Value
Importer's Name <i>R. Green & Co.</i>		Quantity		Name of place where goods consigned
Ship's Name <i>H. J. J.</i>		35 cuts		<i>France</i>
Marks and Nos. <i>E F</i>		Twenty cases Printing Paper, unprinted, not on reels		

I enter the above Goods as free of Duty, and declare the above particulars to be true.

Dated this day of

		(Signed)	<i>R. Green & Co.</i>
			<i>J. Jones</i>

Importer or his Agent.

(1) In the case of goods which are invoiced at a quoted price, the value to be stated in the Customs Entry should be the prime cost with the freight and insurance added ("c.i.f." value).

(2) When the goods are consigned for sale, the value to be given should be the latest sale value of such goods

Rate of Duty.
£ s. d.

Spirits: For every gallon computed at hydrometer proof (except perfumed spirits), including Methyl Alcohol and Naptha purified so as to be potable, and mixtures and preparations containing spirits.

Enumerated: Up to 1st Sept, 1919—

Brandy	} per proof gall.	2 10 4
Rum		
Imitation Rum	} per proof gall	2 10 5
Geneva		

On and after 1st Sept, 1919—

Brandy	} per proof gall.	2 12 10
Rum		
Imitation Rum	} per proof gall	2 12 11
Geneva		

Unenumerated—

Spirits not elsewhere mentioned in this column, sweetened or unsweetened: Up to 1st Sept., 1919.

For every gall. 2 10 5

On and after 1st Sept., 1919. For every gall. 2 12 11

Additional, if—

(1) Warehoused for less than two years or not at all. For every proof gall. 1 6

(2) Warehoused for two years but not for three years. For every proof gall. 1 0

Liquers, Cordials, etc.. In bottle, containing spirit, and entered so as to indicate that the strength is not to be tested. Up to 1st Sept, 1919. For every gall. 3 8 10

After 1st Sept., 1919. For every gall. 3 12 2

Additional

(1) Warehoused for less than two years or not at all. For every gall. 2 0

(2) Warehoused for two years but not three years. For every gall. 1 4

Perfumed Spirits. Up to 1st Sept, 1919. For every gall. 4 0 2

After 1st Sept., 1919. For every gall. 4 4 2

Additional

(1) Warehoused for less than two years or not at all. For every gall. 2 5

(2) Warehoused for two years but not three years. For every gall. 1 7

See also Preferential Rates

Spirit Lighters. Where spirit is used. Each. 1 0

Spruce: See Beer

Strong Waters: See Spirits

Sugar. Where it does not exceed 76° of Polarization (*Per cut*). 12 4

Exceeds 76° but not 77°. 12 8-7

" 77° " 78°. 1 1-6

" 78° " 79°. 3 6-6

" 79° " 80°. 13 11-5

" 80° " 81°. 14 4-4

" 81° " 82°. 14 9-4

" 82° " 83°. 15 2-3

" 83° " 84°. 15 7-8

" 84° " 85°. 16 1-4

" 85° " 86°. 16 6-9

" 86° " 87°. 17 0-5

Rate of Duty.

£ s. d.

		(Per cwt.)			
				£	s. d.
Exceeds 87° but not 88°				17	6-6
" 88°	" 89°			18	0-8
" 89°	" 90°			18	8-2
" 90°	" 91°			19	3-6
" 91°	" 92°			19	11-0
" 92°	" 93°			1 0	6-4
" 93°	" 94°			1 1	7-7
" 94°	" 95°			1 1	9-1
" 95°	" 96°			1 2	4-5
" 96°	" 97°			1 2	11-9
" 97°	" 98°			1 3	7-3
" 98°				1 5	8

See also Preferential Rates

Sugared Almonds. For every cwt. 1 5 8

Syrup. See Molasses

Table Waters. Containing through the manufacture, sugar or other sweetening matter, or being fermented beverages. For every gall. 4

Herb Beer. For every gall. 2

Other than mentioned. For every gall. 8

*Tamarinds**. Preserved in syrup. For every cwt. 5 8½

Tea: For every lb. 1 0

See also Preferential Rates

Tobacco. Cigarettes. For every lb. 12 7

Cigars. For every lb. 15 7

Cavendish or Negrohead. Per lb. 11 10½

Cavendish or Negrohead manufactured in bond. For every lb. 10 4½

Other manufactured tobacco. For every lb. 10 4½

Snuff containing (a) more than 13 lb. of moisture in every 100 lb. For every lb. 9 9½

(b) Less than 13 lb. of moisture in every 100 lb. For every lb. 11 10½

Stripped or Stemmed: (a) Containing more than 10 lb. of moisture in every 100 lb. For every lb. 8 2½

(b) Containing less than 10 lb. of moisture in every 100 lb. For every lb. 9 1

Unstripped or Unstemmed and not manufactured: (a) Containing more than 10 lb. of moisture in every 100 lb. 8 2

(b) Containing less than 10 lb. of moisture in every 100 lb. 9 0½

See also Preferential Rates

Watches. Or any accessories or component parts. ½ the value.

Wine. Not exceeding 30° of Proof Spirit. For every gall. 1 3

Exceeding 30° but not 42° of Proof Spirit. For every gall. 3 0

Additional

For every degree and for fraction beyond the highest above charged. For every gall. 3

Additional

Sparkling, in bottle. For every gall. 2 6

Still, in bottle. For every gall. 1 0

See also Preferential Rates

* Liable to an additional charge of ½d. per lb. if spirit is used in the manufacture

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AND DICTIONARY OF COMMERCE

[CUS]

BILL OF SIGHT. (Front.)

Port of *Liverpool.*

Importer

Wharf, Dock, or Station.	Ship's Name.	Whether British or Foreign; if Foreign, the Country.	Master's Name.	Port or Place from whence Imported.	Name of Importer or of his Agent.
<i>Queensbury</i>	<i>Hodder</i>	<i>British</i>	<i>R. Har</i>	<i>Calais</i>	<i>R. Green & Co.</i>
Marks.	Numbers	Name of Place whence Goods consigned	Number of Packages, with the best Description of the Goods the Importer is able to give.		
<i>G H</i>	<i>4</i>	<i>France</i>	<i>One case 1 ea</i>		

I, *J. Jones, Agent* of the Goods above-mentioned do hereby declare that I have not (or that to the best of my knowledge he has not) received sufficient Invoice, Bill of Lading, or other advice from whence the Quality, Quantity, or Value of the Goods above-mentioned can be ascertained.

Dated this day of

(Signed) *R. Green & Co.**J. Jones*
Importer or his Agent.(Signed)
Collector.

Preferential Rates: (Conferring a preference in the case of Empire products)

The duties of Customs on the goods specified below are to be charged at the reduced rates shown, where the goods are shown to the satisfaction of the Commissioners to have been consigned from and grown, produced, or manufactured in the British Empire—

	Rate of Duty
Tea	$\frac{1}{2}$ of full rate
Chicory	" "
Clocks, etc	" "
Cocoa	" "
Coffee	" "
Currants	" "
Dried Fruits	" "
Films	" "
Glucose	" "
Molasses	" "
Motor Spirit	" "
Motor Vehicles, etc	" "
Musical Instruments, etc.	" "
Saccharin	" "
Spirits	Old rates

	Rate of Duty.
Sugar	$\frac{1}{2}$ of full rate.
Tobacco	" "
Watches, etc	" "
Wine. (a) Not exceeding 30° of proof spirit	" "
Exceeding 30° of proof spirit	" "
(b) Sparkling, in bottle (additional duty)	" "
(c) Still, in bottle (additional duty)	" "

When full particulars of the goods are known by the consignee, that is to say, the exact description as required by the Customs, the form is lodged in duplicate. (See page 498.)

After duty has been paid in this manner, the goods are examined by a Customs officer, and if the details given tally with the result of this examination, the goods are released. On the other hand, if a discrepancy (shortage) is found on examination, the goods are detained until such time as the extra amount of duty has been paid. A similar form to the above is used, but reference to the original entry is made in the space provided. This is known as making a Post Entry. In the event of the duty being overpaid, the Customs advise payee of the fact in due course by issuing an "Over Entry

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BILL OF SIGHT. (Back.)

Port of Importation *Liverpool* Dock or Station *Queensbury*
 Importer's Name *R Green & Co.*
 and Address *@ Calais* Date of Report and
 Ex *Hodder* Customs Rotation No.
 In *full* of Sight

Marks	Numbers, &c	Number of packages, quantity and description of goods, in accordance with the requirements of the Official Import List	* Destination.	Value.	Duty.		
					£	s.	d.
<i>G H</i>	<i>4</i>	<i>One case Tea, containing Fifty lbs net</i>		<i>£3</i>	<i>1</i>		<i>10</i>

Certified correct,

Surveyor

... Date

To the Surveyor,

Sir,

I request an extension
 of time from

to ... in order
 to perfect sight

* Place and Country of destination in United Kingdom to be shown for Spirits and unmanufactured Tobacco only

N B — The usual declaration must be added in MS. This form is to be adapted for Free or Warehousing Entry

BAGGAGE SUFFERANCE INWARDS.

Port of *Liverpool*Importer *R Green & Co*Ship's
Rotation No. *1*

Wharf, Dock, or Station	Ship's Name	Master	Port or Place whence imported.
<i>Queensbury</i>	<i>Hodder</i>	<i>R. Har</i>	<i>Calais</i>

Marks and Numbers

Number and Description of Packages and Goods.

*K M**1 case Private Effects*

The above-mentioned goods may be landed and examined. The particulars of examination are to be recorded hereon. Care is to be taken that duty is paid on any dutiable goods, if, however, the packages contain any such goods concealed, or any prohibited goods, they will be liable to seizure.

Dated this

day of

19 ..

..... pro Collector.

Certificate," and he should then attend at the Custom House in order to obtain refund.

In many instances, the necessary particulars for the payment of the duty cannot be given by the importer, in which case a Bill of Sight is requisitioned. This form is lodged at the Customs House, and the Customs officers then examine, test, weigh, or measure the goods in order to assess duty.

The consignee thereupon attends at the Custom House, and the particulars as disclosed by the examination are supplied to him, duty being then paid according to the assessment. A Bill of Sight is a double-sided document; and, first lodged with the Customs, only one side can be used. (See p. 499.)

When paying the duty, the document is completed by inserting on the other side the particulars of assessment arrived at by the Customs. (See p. 500.) This process is called perfecting the bill of sight.

It sometimes occurs that a package contains free goods and dutiable goods. If the exact contents are known, the duty may be paid on the ordinary form of prime entry, and a free entry is required for the free goods.

Personal Effects. These not being merchandise, and, therefore, returns not being required for Board of Trade purposes, are consequently treated apart from other goods. In order to clear private effects, the form used is the Baggage Sufferance, as given on p. 500.

The only description necessary is "Private Effects," and no further particulars whatever are required. Private effects include: Used wearing apparel, literature (not new), household furniture, and used personal effects of any description.

If a package described as personal effects contains any dutiable goods, the duty has to be paid, as in the case of ordinary dutiable merchandise. This applies, of course, if the dutiable goods are not concealed with intent to smuggle them, otherwise they are liable to seizure by the Customs officials. Prohibited goods, as previously enumerated, are also liable to be confiscated. Packages containing private effects are in all cases very closely examined by the Customs; and if there are any locked packages, drawers, etc., the keys to open same have to be produced by the owner to facilitate examination. If the keys cannot be produced, the Customs have power to force open any locks.

Any imports for which the entry is not lodged within a reasonable time (usually about fourteen days) are, at the expiration of that period, seized by the Customs authorities and conveyed to the Customs private warehouse, termed the King's Warehouse, and there kept at consignee's sole risk and expense until such time as the necessary entry is lodged to clear the goods. The charges incurred whilst goods are detained in the King's Warehouse are usually rather high; and all charges thus incurred, viz., cost of transport from the discharging berth to the King's Warehouse and rent there, are payable before delivery can be obtained. In the event of goods not being cleared within about six months, they are sold (according to law) by the Customs authorities, in order to defray the charges incurred whilst the goods have been warehoused, and neither consignees nor shippers have any redress.

Merchandise Marks Act. Goods arriving at any port in Great Britain bearing the name of the consignee, the trade name, or the marks which infer that they are of British manufacture, and which are not indelibly marked or stamped with the name

of the country of origin, are stopped by the Customs, and are only released when the required conditions of the Board of Customs are complied with. The method of procedure in the case of: (a) Empty boxes to be filled with matches, etc., tin boxes to be filled with paste, etc., bottles to be filled with liquids, powders, etc., is for the owner to hand to the Customs a letter declaring that the goods are not for sale in their present condition, but are to be filled with goods of British manufacture; (b) Manufactured goods for sale, it is necessary for owner to obtain permission from Customs to allow each article to be marked in clear type and in a conspicuous place, with the country of origin, as, for example: "*Made in Sweden.*"

This is done in order to protect British manufacturers; and an Act of Parliament was passed in 1887, known as the "Merchandise Marks Act, 1887," requiring the foregoing formalities to be observed before delivery can be obtained.

Transshipment Goods. The term "transshipment" as here used, refers to goods which arrive from abroad and which are intended to be re-shipped to another country. They may be shipped at port of arrival or may be sent to another port and thence re-shipped.

Free Goods. These are to be declared on the Customs Report as being "in transit." When passing entries, the ordinary free entry form is used, with the words inserted: "In transit for . . .," and the usual specification form for exports must be lodged when the goods are re-shipped. These regulations also apply to goods arriving at a port, and which are later re-shipped at another port.

Dutiable Goods for Transshipment at Port of Arrival. This traffic has also to be declared on the report as in transit. A bond for about twice the amount of duty has to be signed at Customs House by two persons, as private individuals and not on behalf of a firm, and who are householders. A warehousing entry has also to be lodged, and also a warrant known as the bond warrant. A facsimile of a warehousing entry and the accompanying bond warrant is shown on page 502.

The bond warrant shown is for wet goods (spirits, etc.); but for other goods, such as tea, coffee, etc., the warrant varies slightly in form and colour. When the bond has been signed, the usual form of shipping bill and also a transshipment delivery order are required to be lodged. The following is a transshipment delivery order—

TRANSHIPMENT DELIVERY ORDER.

To the Officer of Customs on board the

Master @

Send in charge of an Officer to be delivered into the custody of the proper Officers at for transshipment only on board the

for

Marks	No.	Description of Goods.
G A	1	1 case Whiskey

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Port *Liverpool*
 Dock or Station *Queensbury*
 Importer's Name *R Green & Co*

I enter the above Goods to be Warehoused, and declare the above particulars to be true.

Dated this day of 19... { (Signed) R. Green & Co.
J. Jones
Importer or his Agent

BOND OFFICE, CUSTOM HOUSE.
day of 1

* One article only to be entered on each line Total Value of Free Goods only £

On board the <i>Tinwald</i>	for <i>Canada</i>
The above Goods reported	day of
ex the <i>Hodder</i>	Master, @ <i>Calais</i>
<i>R Har</i>	
	19..

Bond No.

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ENTRY FOR WAREHOUSING AT ANOTHER PORT OR PLACE.

under the provisions of Warehousing Code, pars 219/223.

Port of Importation *Liverpool*
 Dock or Station *Queensbury*
 Importer's Name *R. Green & Co.*

Ship's Name.		Date of Report.	Port or Place whence.		
<i>Hodder</i>			<i>Calais</i>		
Marks and Nos.	No. of Packages	Description of Goods in accordance with the Official Import List.	Name of Place whence Goods consigned.	Quantity.	Value. £
<i>G. A. 1</i>	<i>1 case</i>	<i>Wine</i>	<i>France</i>	<i>1 gall.</i>	<i>1</i>
Bond given for the warehousing of the above-mentioned goods as			under within	<i>3</i>	days.

I enter the above Goods, which are to be removed from the ship's side ^{on gross weights}
 in locked vans without weighing
 to be Warehoused in *Sydney* ^{Customs} Warehouse at *Glasgow* and declare
^{Ex-ice}
 the above particulars to be true.

Dated this day of

 19... { (Signed) *R. Green & Co.*
J. Jones
 Importer or his Agent.

* Delete inapplicable words.

The goods then may be delivered under the supervision of the Customs authorities, to the export ship by locked conveyance, and must be opened at the export ship by the Customs officials. If the goods are not delivered by locked conveyance, they may be delivered by a conveyance approved of by the Crown. In such a case the conveyance has to be followed by a Customs officer at the expense of the owner of the goods.

Dutiable Goods for Transhipment at another Port than that of Arrival. In this case the same formalities are observed, with the exception that a warehousing entry is lodged, as given above. The goods must be sent forward in locked railway vans or lighters, and under the Customs seal consigned to the Customs authorities at destination. Advice is sent from the Customs House at port whence the goods are despatched to the Customs authorities at port of re-shipment, and when the goods arrive they are entirely under Customs supervision.

When the above formalities are observed, dutiable goods in transhipment do not pay duty.

Bonded Goods. These are dutiable goods which are to be warehoused until such time as the owner decides to pay the required duty and so release the goods. A bonded warehouse is a dépôt approved of

by the Customs authorities. In order that the goods may be warehoused, the ordinary warehousing entry is passed (in duplicate), and the usual particulars required for imports must be given, also the warehouse where they are to be stored. For goods which are intended to be used for home consumption, the duty, of course, has to be paid before delivery can be obtained. When paying the duty, a warrant is required to be taken out and handed to the Customs official in charge at the warehouse, who will then check the quantity, etc., of the goods and certify the particulars given. The duty can then be paid to the collector of Customs. In the case of bonded goods which are to be used as ship stores, these are not liable to any duty. The supplier arranges with the Customs for the goods to be released, and advises them for which ship they are destined. The document lodged in this instance is a Shipping Bill and Customs Despatch. (See p. 504.)

There are various forms of warrants in operation which vary slightly according to the purpose and the goods for which they are required. The warrants vary also in colour, and a few instances are given below—

For dry goods, excepting tea and tobacco, a white warrant is used, as given on page 505. In the case of tea which is to be used for home

SHIPPING BILL FOR GOODS AS STORES (Required in Duplicate).

These Goods must be produced to the Officer of Customs at Shipment.

. Export Examining Officer.

N B—The Lightermen or Carmen are particularly required to give immediate notice to the Export Examining Officer if any of the above-mentioned Goods be shut out of the Vessel, and on no account to take them to any other Ship than the one above-named without his permission.

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[CUS]

1. WARRANT.—Dry Goods EXCEPT TEA and TOBACCO, for
Home Consumption.

Collector's No.

Warehouse

Date

Number

Month and Year 19..

Ship and date of importation, or }
Customs Rotation and Year } *Paldan*Bonder's Name *Palnay & Co.*

Register and Folio.	Number and description of Packages and Goods	Import.		Weight for Duty.
		Marks	Nos.	
	<i>One cask Sugar</i>	<i>S</i>	<i>4</i>	<i>2 cuts.</i>
				Officer
				Date

Duty

shillings

pounds

pence.

Duty of : :

Naples & Co.
*3, Warwick Street*Name and address of
Firm paying Duty.

Collector of Customs

II WAREHOUSEKEEPER'S ORDER.

Warehouse Number

To the Warehousekeeper at *Glasgow*You may deliver the under-mentioned goods, provided that they
are actually removed from the warehouse before any addition
has been made to the duty chargeable

Month and Year 19..

Ship and date of Importation, or }
Customs Rotation and Year } *Paldan*Bonder's Name *Palnay & Co*

Number and description of Packages and Goods in words	Import.		Date of delivery, to be filled in by the Warehousekeeper.
	Marks and	Nos.	
<i>One cask Sugar</i>	<i>S</i>	<i>4</i>	

(Name of Firm
paying Duty

Officer of Customs.

III MEMORANDUM TO BE RETAINED BY COLLECTOR

Collector's No
and Date.NOTE.—If the Duty is
paid on Gross Pay-
ment Receipt, this
Memo. is not required,
and should be de-
tached.

Station

Paid by

Description of Goods

£ s d.

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ENTRY OUTWARDS.

Port of *Glasgow*If { Sailing Vessel
or
Steamer.Ship's Name and Port of Registry
If Foreign, name of Country to
which she belongs

Master.

Destination.

• *Summit,*
*Newcastle**F. Thomas**Marseilles*

.....Tons.Men.

— Last Voyage from *Marseilles*Lying at *Newcastle*

Date of Report

Part of inward cargo still on board for

{ Port or Ports in the U.K., viz
Exportation.....If Ship shall have commenced her lading
at any other Port, name of such PortBrokers *W. Fagan*Address *Holley Street,*Signed.....
Master or Agent.

Date of Entry.

I certify that the following is a correct statement of the distance in feet and inches between Centre
Maximum Load Line Disc and upper edge of Line indicating the position of the

First Deck above it		Second Deck above it	
Ft.	In.	Ft.	In.

Dated this

day of

19...

Note:—In the case of Colonial and Foreign Vessels, certain approved Load Line Certificates are
to be accepted as valid in the United Kingdom

• The Certificate may be signed by any Person coming within the definition of Shipowner as
interpreted in Section 492 of the Merchant Shipping Act, 1894

[CUS]

AND DICTIONARY OF COMMERCE

[CUS]

MASTER'S DECLARATION AND STORES CONTENT FOR VESSELS OUTWARDS
WITH CARGO.

Sailing Vessel	Official No.	2436	| Rotn. No.
Steam Vessel	No. of Register	4472	
	Date of Registry	27/10/1902	

Port of *Newcastle*

Ship's Name and Destination.	Number of Tons.	If British, Port of Registry; if Foreign, the Country.	Number of Crew.	Name of Master.	With or without Passengers or Troops
<i>Summit, Marseilles</i>	400	<i>British, Glasgow</i>	20	<i>Thomas</i>	<i>Without</i>

I, *Thomas Thomas*, Master of the above-named Vessel, do declare that the particulars set forth in this form are true and correct, and that all the requirements of the Merchant Shipping Acts respecting Outward-bound Ships have been duly complied with, * and I further declare that it is not intended that any coal, or other stores or goods, shall be carried as Deck Cargo*, and I hereby undertake that if Clearance is now granted and any Deck Cargo is carried, I will forthwith pay any further dues, which may become payable by reason thereof.

I hereby nominate and appoint *W. Fagan*, of *Holley Street*, to be and act as my Agent in all matters relating to the Clearance of the said Ship required of me in that respect by the Customs Acts, holding myself responsible for his acts in such matters. } To be struck out if not applicable.

Signed and declared this _____ day of _____

19.. in the presence of

• *T. Thomas*, • • *Master*.pro Collector of Customs
• and ExciseBroker *W. Fagan*Address. *Holley Street*

Date of Clearance _____

(Signed) *W. Fagan**Agent for the Master.*..... *Clearing Officer.*

(For Stores Content, see back)

* This portion may be deleted in the case of foreign going vessels when it is known that deck cargo will be carried, and also, together with the remainder of the declaration down to the word "thereof," so far as home trade vessels, as defined by the Order in Council dated 24th July, 1901, are concerned.

CUS

BUSINESS MAN'S ENCYCLOPAEDIA

[CUS

BONDED AND DRAWBACK STORES granted to the Ship *Summit*,

Master *T. Thomas*, for *Marseilles* Men 20

Passengers Troops

Rum	Brandy	Geneva	British Spirits	Other Spirits.	Wine.	Beer.	Lemon Juice.
							2 galls.
Tea	Coffee	Coffee and Chicory Mixed, Roasted, and Ground in Bond		Cocoa, or Cocoa Paste.	Chicory, Roasted in Bond.		Tobacco.
Cigars	Cigarettes	Raisins	Currants.	Figs.	Prunes and Plums		
Sugar	Molasses	Condensed Milk	Preserves, Marmalades, &c	Sundry Sugar Goods	Playing Cards	Surplus Stores	
				var.		lb. Cav. Tobacco ,, Tobacco, O.S. ,, Cigars ,, Cigarettes gals. Spirits oz. Saccharin lb. Tea gals 'Wine packs Playing Cards and sundry Low Duty Goods	

.....Store Clerk.

N B — For use in London or at other Ports where applicable.

CUS]

AND DICTIONARY OF COMMERCE

CUS]

VICTUALLING BILL.

Granted Number (

Port of *Newcastle*Bonded and Drawback Stores in the *Summit*Master for *Marseilles*

Men 20

Without Passengers or Troops

400 Tons

				Net Quantities taken on Board.
Spirits ..	Rum	gall.		
	Brandy	"		
	Geneva	"		
	Whiskey	"		
	Gin	"		
	Other Spirits, not sweetened	"		
	British Spirits, sweetened	"		
	Foreign Spirits, sweetened	"		
Wine				
Beer, Foreign				
Beer (for Drawback)				
Lemon Juice			2 galls.	
Tea		lb.		
Coffee		cwt.		
" Roasted (for Drawback)		lb.		
Cocoa		"		
" Paste		"		
Chicory, Roasted and Ground, in Bond		"		
Coffee & Chicory, Mixed, Roasted & Ground, in Bond		"		
Tobacco (for Drawback)		"		
" Cavendish or Negro Head		"		
" Other Sorts		"		
Cigars		"		
Cigarettes		"		
Raisins		cwt		
Currants		"		
Figs		"		
Prunes		"		
Plums		"		
Sugar		"		
Molasses		"		
Condensed Milk		"		
Preserves, (Marmalade, &c)		"		
Playing Cards		doz pack.		
Sundry Sugar Goods		cwt.	var	
Surplus Stores				
Examined				pro Collector.
Cleared				W. Fagan, Broker. Holley Street, Residence.

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BUSINESS MAN'S ENCYCLOPAEDIA

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MASTER'S DECLARATION AND STORES CONTENT FOR VESSELS
OUTWARDS IN BALLAST.

Sailing Vessel	Official No.	Rotn. No.
Steam Vessel	No. of Register	
	Date of Registry	

Port of

Ship's Name and Destination	Tonnage	If British Port of Registry; if Foreign, the Country	Number of Crew	Name of Master.	With or without Passengers or Troops.
Knot Bremen	250	British, London	25	Eton	Without

I, *James Eton*, Master of the above-named vessel, do declare that the particulars set forth in this form are true and correct; that there is not on board, nor will be taken on board the said Ship at this Port, any Goods, Wares, or Merchandize whatever, except such Stores and Provisions as are necessary for the use of the said Ship and the People on board thereof during the said Voyage and that all the requirements of the Merchant Shipping Acts respecting Outward-bound ships have been duly complied with.

I hereby nominate and appoint *R. Gobe*, of *Mincing Avenue*, to be and act as my Agent in all matters relating to the clearance of the said Ship required of me in that respect by the Customs Acts, holding myself responsible for his acts in such matters.

To be struck
out if not
applicable.

James Eton Master!

Signed and declared this day of

19.., in the presence of

pro Collector of Customs and Excise

(signed)

R. Gobe

Agent for the Master.

I certify that the following is a correct statement of the distance in feet and inches between Centre Maximum Load Line Disc and upper edge of Line indicating the position of the

First Deck above it		Second Deck above it	
Feet	Inches	Feet	Inches

Dated this

day of

19...

Master..

NOTE.—In the case of Colonial and Foreign Vessels, certain approved Load Line Certificates are to be accepted as valid in the United Kingdom.

Last voyage from

with Cargo } Delete the words
in Ballast } inapplicable.

Station where Ship lying

Name and Address of Broker

Date of Clearance

Clearing Officer.

(For Stores Content, see back.)

NOTE.—Vessels carrying Passengers, though clearing in Ballast, are liable to Light Dues.

CUS]

AND DICTIONARY OF COMMERCE

CUS

BONDED AND DRAWBACK STORES granted to the Ship *Knote*Master *J. Eton*for *Bremen*

Men 25

Passengers

Troops

Rum	Brandy.	Geneva	British Spirits	Other Spirits.	Wine.	Beer.	Lemon Juice.
						1 cask	
Tea.	Coffee.	Coffee and Chicory, Mixed, Roasted and Ground in Bond		Cocoa, or Cocoa Paste	Chicory, Roasted in Bond.		Tobacco.
2 lbs.							
Cigars	Cigarettes	Raisins	Currants	Figs.	Prunes and Plums		
Sugar	Molasses, Condensed Milk	Preserves, Marmalades, &c	Sundry Sugar Goods	Playing Cards.	Surplus Stores.		
					lb. Cav. Tobacco „ Tobacco, O S „ Cigars „ Cigarettes Gals. Spirits Oz. Saccharin lb Tea Gals. Wine Packs Playing Cards and Sundry Low Duty Goods		
Ballast No.					Store Clerk.		

N.B.—For use in London or at other Ports where applicable.

Larnaka (10,000). An open roadstead on the south coast, is the principal commercial centre and outlet; and

Famagousta, on the east coast, possesses the only harbour that could be made to accommodate large ships.

There is a regular despatch of mails every Friday to Cyprus. The distance is about 3,000 miles, and the time of transit eight days.

CZECHO-SLOVAKIA.—Under the new arrangement of the map of Central Europe after the conclusion of the Great War, 1914-18, a new state was carved out of a portion of the former Austro-Hungarian Empire, and has now become known as Czecho-Slovakia. It comprises what were the provinces of Bohemia, Moravia, a portion of Silesia, and a part of Western Hungary. The whole territory has an area of about 60,000 square miles, and the population is estimated at from 13 to 14 millions, of whom 2½ millions are Germans. The Czechs and the Slovaks, who give their name in combination to the country, are both members of the Slavonic race, and have in the past been subjected to much oppression on the part of the Austrians and Hungarians. The form of government is republican,

and no doubt there is a period of prosperity before the people when they have settled down.

It will be noticed that Czecho-Slovakia has no direct access to the sea. Its principal industries are agricultural, wheat, potatoes, sugar, beet, and hops forming the chief crops. The forests are also a valuable source of wealth. Amongst its industries may be noted dyeing and calico printing, woollens, chemicals, and porcelain manufactures. Bohemia is noted for its glass and also for its beer.

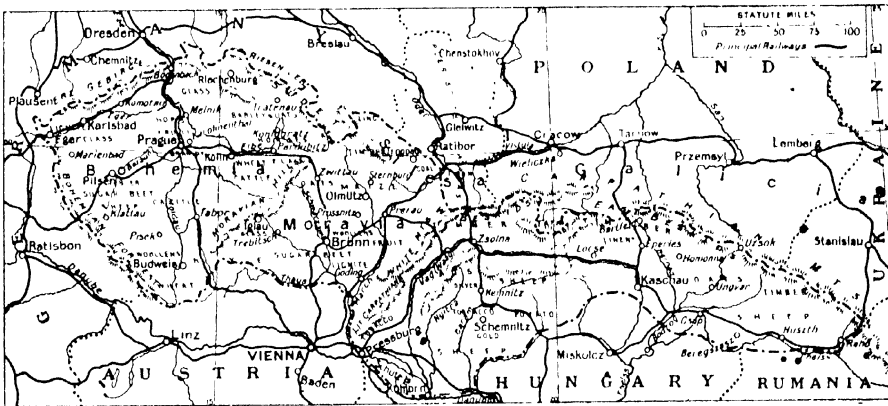
The capital of the new republic is **Prague**, which has a population of about 500,000. It stands at the head of the navigation of the Moldau. Its manufactures include hardware, textiles, and glass. It is an old university town, and the city has figured prominently in European history.

Brünn (140,000), is famous for its woollen manufactures.

Pilsen (100,000), a great weaving centre, has also manufactures of textiles and iron goods.

Pressburg (90,000), commands the Carpathian Gate. Its manufactures include dynamite, machinery, spirits, and flour milling.

The seat of the government is at Prague.



[DAH]

D. This letter occurs in the following abbreviations:

d.	a penny (Latin, <i>denarius</i>)
D.	Deeds
D.A.	Deposit Account
D'A.	Days after Acceptance
D/A.	Deed of Arrangement
D.B.	Day Book
D.D.	Days after Date
D.P.B.	Deposit Pass Book
D.R.	Deposit Receipt
D.S.	Days after Sight
Dbk.	Drawback
Deb.	Debiture
Dft.	Draft
Dis.	Discount
Div.	Dividend
Dols.	Dollars
Dr.	Debtor
D/S.	Days after Sight
D/W.	Dock Warrant

DAHOMEA, FRENCH. (See FRANCE.)

DARTYLOS.—(See FOREIGN WEIGHTS AND MEASURES—GREECE.)

DAMAGES. An expression used to denote the pecuniary compensation which may be awarded in legal proceedings to a person for an injury he has sustained, either in person or to his property, by reason of some act or omission of another person. The object of the courts in awarding damages is to put the injured person in as good a position, so far as money can do it, as he would have been in if the act or default complained of had not happened, and, in some few cases, to punish the wrongdoer. It is obvious that this ideal of pecuniary compensation cannot always be even approximately attained; for example, it is almost impossible to measure pain and suffering in pounds, shillings, and pence, and no sum of money can adequately recompense, say, young children who are deprived of a parent's care and attention by reason of an accident due to the negligence of the defendant. Thus it is that in many cases damages cannot be a full equivalent for the mischief done, and recognising this, and also the fact that an injured person ought not to be allowed to make a profit out of the injury beyond what is fair and reasonable under all the circumstances, the law lays down a number of rules to assist the judge or the jury in assessing the amount to be awarded as damages. But even these rules cannot always be applied with precision, and the assessing tribunal must have regard to the particular circumstances of each case.

The general expression "damages" covers a number of sub-divisions, to which descriptive titles are given, thus: "General damages" are those which flow in the ordinary course of events from the defendant's act or default, "special damage" denotes the actual ascertainable loss, or the particular damage, in a particular case; "liquidated damages" (*q.v.*) means a sum assessed by the parties to a contract as the amount to be paid in respect of a breach thereof. "Unliquidated damages" are such as must be assessed by the court, "prospective

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[DAM]

damages" are those awarded to a plaintiff in respect of loss anticipated, but not yet actually experienced, "exemplary damages" are such as take into account either a sentimental injury to the plaintiff or the necessity of punishing a wilful wrongdoer—in the latter case they are sometimes called "vindictive damages"; "nominal damages" and "contemptuous damages" are other expressions which explain themselves.

In the event of a bill of exchange or a promissory note being dishonoured, the damages recoverable in respect thereof are expressly declared to be liquidated damages, and include the amount named on the instrument, interest thereon, and the expenses of noting a protest. Exemplary damages can only be given in one form of action for breach of contract, viz., an action for breach of a promise to marry, but they are frequently awarded in actions of tort, when the defendant's conduct has been particularly improper, or dishonourable, or illegal. If, however, the plaintiff has given provocation, he will not be entitled to exemplary damages.

Of the various classes of damages mentioned above, the most important distinction is that between liquidated and unliquidated damages. In many contracts the parties themselves fix the compensation or amount of damages to be paid by the one who fails to carry out his part of the contract, and sometimes the very nature of the contract determines the amount. Thus, in a contract for the sale of goods at a certain price, the failure of the purchaser to pay the price entitles the seller to sue him for it, the price, then, is recovered as liquidated damages. But if, in such a contract, the seller fails to deliver the goods, the buyer's claim is for unliquidated damages, viz., such a sum as represents the loss he has sustained by reason of the non-delivery. If he could have bought the same goods elsewhere at the same or a less price, then his actual damage is nil, and all he can recover is nominal damages, often estimated at a farthing or a shilling, for the breach of the contract. If, however, he has to pay a higher price for similar goods, then his measure of damages will be the difference between the two prices, plus compensation for inconvenience and trouble. But in such a contract the parties may have said that such and such a sum is to be paid on breach as agreed and liquidated damages, then the injured party will be entitled to recover the agreed sum, even though it may be more than the actual loss he has sustained, unless the court, on inquiring into the circumstances, is of opinion that the agreed sum, though called liquidated damages, is really in the nature of a penalty, for if this is so, payment of the full penal sum will not be enforced unless the actual damages sustained amount to such a sum. It is for the judge to decide whether a mentioned sum is a penalty or liquidated damages, and the broad test to be applied is: Is it a genuine anticipation by the parties of the loss which they contemplated would result from a breach of the contract, or is it a sum imposed as security for the due performance of the contract? If it is the former, the court will not interfere, and the sum will be recoverable as liquidated damages; if it is the latter, it will

be regarded as a penalty and be relieved against. The law leans against penalties.

It is not always necessary for a plaintiff to prove actual tangible loss, or the existence of a possibility of loss, in order that he may be entitled to recover damages from the defendant. Every breach of contract, and every wrongful act or omission, with some small exceptions to be presently considered, give rise to a claim for damages, and nominal damages may in any such case be awarded, although no actual loss has been or will be sustained. Unless the amount of the damages has been fixed by Act of Parliament, as is done in some special cases, or has been agreed to by the parties, the amount to be awarded in any case is within the discretion of the judge and jury trying the case, and that discretion must be exercised in conformity with the following rules which govern the assessment of damages—

(1) Damages must be assessed once and for all. A plaintiff must sue for and recover all his damages in one action, whether they be for actual, future, or contingent loss, and having once sued to judgment a defendant in respect of a particular cause of action, he cannot bring a second action against the same defendant for any loss arising out of the same cause of action which has not materialised at the time judgment was given in the first action, or which has, for some reason or another, not been taken into account in the prior proceedings. Where, however, a cause of action is continuing, that is, arises afresh from every repetition or every day's continuance of the wrong complained of, an action may be brought for damages as and when they accrue, if the cause of action continues, after the assessment of damages in any particular case.

(2) When damages have to be assessed by the court or jury, that is, when they are not merely nominal, or statutory, or agreed, only such damages can be awarded as flow naturally from the act or default complained of, and are either the direct consequence therefrom or were contemplated by the parties as a consequence thereof. Loss not within this limitation is said to be too remote, and cannot be recovered. If a plaintiff could reasonably have prevented any part of the loss he has suffered, such loss as might have been averted by him cannot be regarded as the direct consequence of the defendant's act or omission. These rules are sometimes described together as "the measure of damages," by which is meant the standard of calculation by which the damages are to be assessed.

The doctrine of remoteness may be best explained by an illustration. In the leading case on the subject, *Hadley v. Baxendale*, 1854, 9 Ex. 341, the plaintiffs, who were millers, entrusted the defendants, who were carriers, with a mill-shaft to be delivered to the mill, the carriers' servant being informed that the shaft must be sent at once as the mill was stopped for want of it. Owing to the defendants' neglect, the shaft was not delivered at the proper time, and the mill was stopped for several days in consequence. The plaintiff brought an action to recover damages for the delay in delivery, and sought to include in the damages the loss of profits caused by the stoppage of the mill, but it was held that they could not do so, as the mere notice to the defendants' servant was not sufficient to make the loss of profits damages that might reasonably be expected to flow from the breach of the contract of carriage. In another case, *British Columbia Saw Mills v. Nettleship*, 1868, L.R.

3 C.P. 499, the law was stated as being that the knowledge of the special circumstances must be brought home to the party sought to be charged, under such circumstances that he must know that the person he contracts with, reasonably believes that he accepts the contract with the special conditions. The application of the rule to actions of tort is somewhat different. One who commits a wrongful act is responsible for the ordinary consequences which are likely to occur; but, generally speaking, he is not liable for damage which is not the natural or ordinary consequence, unless it is shown that he knows or has reasonable means of knowing that consequences not usually resulting from the act are, by reason of some existing cause, likely to intervene so as to cause damage. In a well-known case, the defendant's servant washed down a cart in his master's yard. In the ordinary way the water should have passed down the gutter to the drain; but the weather was frosty, and the drain was frozen over, so that the water could not get away, and stood in the yard until it froze. Plaintiff's horse slipped on the ice so formed and broke its leg. The defendant did not know of the obstruction in the drain, and it was held that the injury to the horse was not such a consequence as he should reasonably have expected as a consequence of the washing of the van. In another case the defendant had made an untrue statement about the plaintiff, the words used not being actionable in themselves, and the plaintiff endeavoured to prove as damages the fact that in consequence of the slander a third person had refused to employ her. It was held that as the words used would not naturally lead to such a refusal to employ, the damages were too remote.

Another factor to be considered in connection with remoteness is whether the original act or omission complained of was the real cause of the injury, or was there some intervention of a third person without which the damage would not have followed. A good example of this distinction was seen in an action against a railway company for damage done to a garden by reason of an engine falling down an embankment into the garden, where it was held that the company were liable for the damage done by the engine, but not for that caused by the crowds of people who came to see the engine in the garden. But where the conduct of the third person was itself a direct consequence of the original misconduct, or the damage followed by reason of animals following their natural instincts, the original wrongdoer will be responsible for all. Where, however, a contingency supervenes upon the act complained of, damages cannot be given in respect of the contingency. If a man travelling by train to take part in a competition is injured, the jury in assessing damages for the injury must not take into account the possible loss of the prize. But where a seller of goods fails to deliver them, and the buyer cannot purchase similar goods in the market, the latter is entitled to recover as damages the value of the goods to him at the date when delivery should have been made, and such value may include the profits he would have made on a contract to re-sell already entered into, whether the original seller knew of such contract or not. If the buyer has already paid the price, the measure of damages for non-delivery is the value of the goods at the time of the trial. By the Sale of Goods Act, 1893 (see SALE OF GOODS), it is provided that where a buyer refuses to accept goods the property

in which has passed to him, the seller may recover the agreed price though there has been no delivery, or may sue for damages, the measure of which will be the difference between the contract price and the market price at the date when acceptance ought to have been made. If the property has not passed, the latter is the only remedy open to the seller. For the measure of damages for breach of warranty see WARRANTIES AND CONDITIONS.

Where a carrier does not deliver goods in proper time, or if he negligently loses or damages them, the measure of damages will be the true value of the goods, plus any further damages naturally resulting from the breach of contract. In a claim by a passenger for personal injuries, the measure of damages will include the medical and other expenses of his cure, his loss of time, his inability to continue his business or occupation, or to earn an income equal to or reasonably exceeding what he has made in the past, his lessened capacity for the enjoyment of life, and the pain and suffering he has had to endure. The fact that he has already received money under a policy of insurance must not be taken into account in reduction of damages. In an action under Lord Campbell's Act, brought for the benefit of the family of a person who has been killed in an accident, only the actual pecuniary loss suffered by the family in question can be considered, and the damages must be calculated in reference to a reasonable expectation of pecuniary benefit from the continuance of the life, without considering mere possibilities of future advantages, or the grief caused by the death.

Occasionally, it may be that a person may suffer damage owing to the act of another, and yet have no right to recover damages in respect thereof, because what that other has done is not a violation of what the law regards as a legal right. For example, if a man digs a well on his own land and so draws away his neighbour's water, the latter clearly is injured, yet he has no right of action for the injury done, not amounting to a violation of a legal right. Again, in a few cases damages are not recoverable unless actual loss is proved, as in a case of slander. (See DELAMATION.)

DAMASK.—A fabric with an elaborate raised pattern woven into it, originally made only of silk at Damascus, to which town it owes its name. The industry was introduced into England towards the end of the sixteenth century by immigrants from Flanders. The damasks most in demand are made of linen, and are used for tablecloths, serviettes, etc. Barnsley in England, Dunfermline in Scotland, and Belfast in Ireland are the chief centres of the linen damask manufacture. Woolen, cotton, and silk damasks are much used for curtains, table covers, and in upholstery generally. The so-called silk damasks are mixtures of silk with wool or with one of the other materials named. They are produced in the neighbourhood of London. Halifax and Bradford are the headquarters of the woolen damask industry and the cotton variety is manufactured at Manchester, Glasgow, and Paisley.

DAMMAR.—A clear, almost transparent resin obtained by incision from certain coniferous trees known as *Dalmanara*, or dammar pines, and found in New Zealand, New Guinea, and the Malay Archipelago. Singapore does the largest export trade. The most valuable dammar resin is found in a fossil condition. It is principally used in the manufacture of transparent varnishes.

DAMSON.—The plum of Damascus, but now

grown in various parts of the world. It is a small, purple or yellow, oval variety of the common plum, and is much used for making preserves.

DANDELION.—A composite plant flourishing in all temperate regions. It owes its name—*dent de lion*, lion's tooth—to the jaggedness of its leaves. Its milky juice is useful in medicine as a tonic and in disorders of the liver. The dried root is sometimes used to adulterate coffee or as a substitute for it. The leaves are sometimes eaten either cooked or as a salad.

DANDY NOTE.—This is the name given to a delivery order from the Custom House, which requests the warehouse officer to deliver to the searcher certain bonded or drawback goods named therein, when they are required for exportation or for ships' stores. The document is filled in by the exporter, and afterwards passed at the office of the Comptroller of Accounts. To the dandy note there is often attached what is called a "pricking note," and this serves as a shipping order for goods.

DANDY ROLL.—This is a roller which is used in the manufacture of paper, and is inserted after the paper pulp has passed over the first press roll. Its function is important in that it inserts the water mark so universally employed in the manufacture of the better class of writing paper, and more particularly in bank notes, securities, and postage stamp paper. In normal times large numbers of such rolls are annually exported to all parts of the world, as the United Kingdom has practically enjoyed the monopoly of manufacture since their invention over a century ago.

DANGEROUS BUILDINGS.—The legislation concerning dangerous structures is first to be found in the Towns Improvement Clauses Act, 1847. If any building or wall is considered to be in a ruinous state, and dangerous to passengers, or to the occupants of neighbouring buildings, a hoard or fence must be put up to protect passengers, and written notice must be given to the owner. A notice must also be put upon a conspicuous part of the premises. The notice must require the owner, or occupier, to take down, secure, or repair the premises. There must be no delay in attending to the notice, otherwise two justices of the peace, at the request of the town or district surveyor, will order the work to be done forthwith. If the owner or occupier fails to do what he is told to do, the authorities will do the work, and will charge him therewith. If necessary, distress will be levied on his goods.

If the owner cannot be found, the local authority may take the land on which the dangerous building stands, and sell it, and make compensation to the owner; or, if the building is pulled down, the materials will be sold, and the net proceeds handed to the proper person, when found. If a street or footway should be rendered inconvenient whilst the repairs, or demolition, are proceeding, hoards, or fences, must be put up to separate the premises from the street, with a convenient platform and hand-rail for the use of the public. This platform and hand-rail must be properly lighted at night, it must be kept in good condition, and be removed when required. There is a penalty for disobedience.

If any building material, or rubbish, is laid in the street, or any hole made there, the same must be properly fenced around, and lighted between sunset and sunrise. This obstruction in the street will not be allowed to continue for an unnecessary time. If any building, or hole near any street, be dangerous to passengers, the same must be protected, repaired,

or enclosed. (The penalty as before.) All the above regulations are embodied in the Public Health Act, 1875.

The Metropolitan Building Act, 1855, created district surveyors for London, whose duty it is to supervise all dangerous buildings, and they may enter upon and inspect all such structures at all reasonable times. Dangerous structures must be surveyed and reported upon; if the report is unfavourable, the dangerous structure must be dealt with as already explained. If the structure is dangerous to its inmates, a justice of the peace may order them to be removed from it.

If there is a dispute between the owner and the local authority in the metropolis, the same may be referred to arbitration. The London Building Act, 1894, enacts that where a building is ruinous, or so dilapidated as to be unfit for use, or where from neglect it is prejudicial to the surrounding property and the neighbours, justices of the peace may order the owner to take down, repair, or rebuild such neglected structure, or to fence in the ground on which it stands.

DANGEROUS GOODS.—Those who have to do with dangerous goods, whether by way of manufacture, storage, carriage, or sale, are under special liabilities, imposed by the law, to safeguard the public. The manufacture of certain classes of them, *e.g.*, gunpowder and explosives, has been regulated by statute, and to manufacture them elsewhere than on premises duly authorised is an offence visited with severe penalties. (See **GUNPOWDER AND EXPLOSIVES**.) Apart, however, from statute, it is lawful for a man to manufacture and store on his land any substance he pleases, however dangerous. He incurs, however, this liability by so doing, that, if some mischance causes the dangerous goods to escape and do injury to a third party, the owner becomes liable in damages, though he has taken all possible precautions: for it is a well-settled rule of law that if a person brings on to his premises anything which will do damage if it escapes, he must keep it in at his peril, *e.g.*, if acid is stored and escapes, doing damage to adjoining property, the owner will be held responsible without proof of any negligence. The liability of a person handing goods to a carrier, or selling them, is more stringent, for if a man entrusts to a carrier goods which he knows to be dangerous, it is his duty to warn the carrier of their nature, and if he does not, and injury results, he will be held responsible. Nor is it necessary that the injury should be occasioned to the carrier himself, for the duty to take care exists towards all persons to whom the carrier, relying on care being taken, may deliver the goods as fit and proper to be dealt with in the way in which it was the intention of the parties that the original contractor should himself deal with them. So, in a case where the defendant employed a railway carrier to forward for him by rail a carboy of nitric acid, without disclosing to him the dangerous nature of its contents, and the carrier delivered it to the plaintiff, the servant of another carrier, to carry it by road, and the plaintiff, ignorant of the contents of the carboy, carried it on his shoulder from one van to another, and while he was so doing, from some unexplained cause, the carboy burst, and the contents injured him, the defendant was held liable. The carriage of dangerous goods has also been dealt with by statute, for the Railway Clauses Consolidation Act, 1845, (a similar provision as to tramways being contained in the Tramways Act, 1870), requires

persons sending by railway any aquafortis, oil of vitriol, gunpowder, lucifer matches, or other goods of a dangerous nature, to mark distinctly on the outside of the packages the nature of the goods, or to give notice in writing of the nature of the goods to the servants of the company with whom they are left. Contravention of these provisions with guilty knowledge renders offenders liable to forfeit £20 to the Company for each offence.

By the Merchant Shipping Act, 1894, no vessel is to carry dangerous goods (which term is defined to mean aquafortis, oil of vitriol, naphtha, benzene, gunpowder, lucifer matches, nitro-glycerine, petroleum, explosives within the Explosives Act, 1875, and any other goods which are of a dangerous nature), unless their nature and the particulars are distinctly marked on the outside of the package containing them. Severe penalties are imposed for breach of these provisions, and also for sending or attempting to send dangerous goods with a false description, or falsely describing the sender or carrier thereof. As regards the sale of dangerous goods, a purchaser who has been injured by goods which he has purchased, and which have proved to be in fact dangerous, has frequently a remedy in pursuance of a warranty implied by the Sale of Goods Act, 1893. Quite apart from warranty, however, if the purchaser can show that he was ignorant of the dangerous nature of the goods, while the seller knew of it and did not warn him, he can recover damages in tort, for the omission to warn him is regarded as negligence. A question sometimes arises—Can a third person, into whose hands the goods come, sue the original seller? It is clear that no action will lie in contract, for no one can sue on a contract who is not a party to it, but an action may sometimes be maintained in tort. Thus, where the defendant, a chemist, had sold to a man hairwash, knowing it to be intended for use by the man's wife, and the wash proved to be injurious, and caused injury to the wife, she was held to have a good cause of action against the chemist, on the ground that he was under a duty towards her—for whose use, as he knew, the article was bought—to use ordinary skill and care in compounding it. In an American case, a drug dealer sold to a chemist belladonna, a poison, by mistake for dandelion, a useful drug. The chemist sold it to a country doctor, who in turn sold it to a patient, whose wife was rendered dangerously ill, and it was held that the patient was entitled to sue the drug dealer. The liability of those who sell, or give away, dangerous goods may, in fact, be summed up in the words of Lord Esher: "When one person supplies goods or machinery or the like for the purpose of their being used by another person under such circumstances that any one of ordinary sense would, if they thought, recognise at once that, unless he used ordinary care and skill with regard to the condition of the thing supplied or the mode of supplying it, there will be danger or injury to the person or property of him for whose use the thing is supplied, and who is to use it, a duty arises to use ordinary care and skill as to the condition or manner of supplying such thing, and for a neglect of such ordinary care and skill whereby injury happens, a legal liability arises to be enforced by an action for negligence."

DANGEROUS PERFORMANCES.—Any person who shall cause a child under fourteen years old to take part in a public performance must be very careful. The Children's Dangerous Performance

Act of 1897 inflicts a penalty not exceeding £10 if, in the opinion of justices of the peace, or of a stipendiary magistrate, the life or limbs of the child shall be endangered by such performance. If an accident occurs to such child during the performance, the employer may be indicted for assault, and compensation may be awarded to the child.

In 1897 the Act was extended to any male young person under the age of sixteen, and to any female young person under the age of eighteen. No prosecution shall be instituted without the written consent of the chief officer of police of the district, unless an accident, causing actual bodily harm, occurs: no consent to prosecute is then necessary. The Employment of Children Act, 1903, has further extended the law. A local authority may make by-laws regulating the occupations of children and their hours of employment. A child must not lift, carry, or move anything so heavy as to cause injury, or be employed in any occupation likely to be injurious to his life, limbs, health, or education. The officer of the local authority may enter any place, whether a building or not, to see that the Act is being obeyed.

The Prevention of Cruelty to Children Act, 1894 (now repealed), gives power to magistrates to grant a licence to any child exceeding seven years to take part in an entertainment in premises duly licensed for entertainments, or in a circus, or to be trained for such purpose. The age was raised to ten years by the Act of 1903. The Prevention of Cruelty to Children Act, 1904, makes it an offence punishable by fine, or imprisonment, or both, to do the following: (1) Procuring a boy under fourteen, or a girl under sixteen, to be in any street, or licensed premises for the sale of intoxicating liquor, for singing, playing, or performing, or being exhibited for profit, between the hours of 9 p.m. and 6 a.m. (This does not apply to a place licensed for public entertainments); (2) procuring any child under the age of eleven to be in any street, licensed premises, or circus to which the public are admitted on payment, for the purpose of singing, playing, or performing, or being exhibited for profit; (3) procuring any child under the age of sixteen to be trained as an acrobat, contortionist, or circus performer, or to be trained for any dangerous performance.

The Act does not apply to the following cases: an occasional entertainment for the benefit of a school or church, so long as the terms of the Act are obeyed, where there has been a special exemption of licence by the local authority.

Further restrictions will be imposed upon the employment of children in any capacity, if the authorities think fit, when the new Education Act, 1918, comes into full force.

DANZIG.—The town and the territory known as Danzig have been neutralised under the Peace Treaty, and the administration of the same is to be under the League of Nations (*q.v.*). The arrangement as to this Baltic port has been made so as to give Poland an outlet to the sea. Its defence is provided for by Poland. The city is within the Polish Customs area, but free transit for Germany is guaranteed. Before the war it was largely engaged in the export of timber and agricultural produce. Its present population is about 175,000.

DATE PALM.—The *Phoenix dactylifera*, a native of South-west Asia, North Africa, and South Europe. It grows to a height of 100 ft. There are numerous varieties. The dates form the principal food of the natives in many of the countries where they grow,

and, when dried, are ground for future use, while those not required for home consumption are exported, the chief exporting countries being Egypt, Turkey, and Morocco. Rope is made from the fibre of the date palm, and its sap yields a sugar used in India, and also an intoxicating drink. Varieties of this palm are now found on the western coast of the United States and also in China.

DATE PLUM.—A tree of the ebony order, valuable for its fruit and its bark. The latter is used in medicine in cases of cholera and diarrhoea. The edible yellow fruit has an agreeable taste, and is also useful as the source of certain fermented drinks.

DATING FORWARD.—In certain transactions for various reasons the true date of a document is not always inserted, but some date ahead is fixed upon by the parties, and the document is then supposed to speak from that date. Thus, a bill or a cheque is often dated forward, or post-dated, and the same thing is sometimes done with regard to an invoice for goods. The exact legal position of the parties in such a case is only ascertained when the date actually arrives.

DAY.—The period of twenty-four hours, generally understood, in the first instance, to signify the time between midnight upon two successive days. The law takes no notice of the fraction of a day. If, therefore, a certain thing cannot be done up to a certain day, the whole of the day must be allowed. Thus, rent is due upon a fixed day, but no distress (*q.v.*) can be levied until the succeeding day, *i.e.*, the whole of the day upon which it is due must be allowed to pass. Similarly, when days of grace are to be calculated in connection with the payment of bills of exchange, no action can be taken on the bill until the third day of grace has passed. On the other hand, when a thing may be supposed to happen at any time during the day, it is not necessary to wait for the whole period to pass. Thus, a man completes his twenty-first year upon the day prior to the twenty-first anniversary of his birth. For all legal purposes this completion is effected at the first moment of the day, and, consequently, a man may be, in law, of age, nearly two whole days before he has actually lived for twenty-one years.

DAY BOOK.—In the article *BOOKS OF ACCOUNT*, a full description is given of this, and it is only necessary here to state that the name is often applied, though not correctly so, to the waste book, that in which the daily transactions of a business are recorded. In true book-keeping, it signifies the sales book, in which the sales on credit are set out in chronological order. The name has also sometimes been given to the invoice book, *i.e.*, the book in which all credit purchases are set out.

DAYLIGHT SAVING.—About the year 1907 the late Mr. William Willett advocated the scheme of advancing the clock by an hour during the summer months, in order that the public might have the enjoyment of an additional daily period of daylight. After many years' discussion, an Act was passed in 1916—the Summer Time Act—by which the principle was adopted subject to Royal Proclamation. In 1917, upon a prescribed date, the clock was advanced by one hour, and the normal time restored at a later date. This practice was followed in 1918 and 1919, and is to be repeated in 1920, when an Act is likely to be passed which will make the change an annual one without the necessity of any intervention by way of Royal Proclamation or otherwise. The principle of

daylight saving has now been adopted by the majority of nations.

DAYS OF GRACE.—A bill of exchange that is drawn payable on demand becomes due directly it is presented. Again, a bill which is expressed to be payable at sight, or on presentation, or when no time for payment is fixed, is on the same footing. When, however, a bill is expressed to be payable at a certain number of days after sight, or after demand, or after presentation, or after the happening of a certain specified event which is certain to take place, the holder must present the bill to the acceptor and get the date of the acceptance appended. The time for payment is calculated from the date of acceptance, but in these cases, just as in those where a bill is drawn payable at a certain period after date, the due date, as calculated by the instrument itself, is not the real date of payment, but three days are added, and these days are called "days of grace." At first, there is no doubt that this extension of time was granted as a matter of courtesy, but now they are given by statute, as Section 14 of the Bills of Exchange Act, 1882, provides—

"Where a bill is not payable on demand, the day on which it falls due is determined as follows—

"(1) Three days, called days of grace, are, in every case where the bill itself does not otherwise provide, added to the time of payment as fixed by the bill, and the bill is due and payable on the last day of grace: Provided that—

"(a) When the last day of grace falls on Sunday, Christmas Day, Good Friday, or a day appointed by Royal proclamation as a public fast or thanksgiving day, the bill is, except in the case hereinafter provided for, due and payable on the preceding business day;

"(b) When the last day of grace is a bank holiday (other than Christmas Day or Good Friday) under the Bank Holidays Act, 1871, and Acts amending or extending it, or when the last day of grace is a Sunday and the second day of grace is a Bank Holiday, the bill is due and payable on the succeeding business day

"(2) Where a bill is payable at a fixed period after date, after sight, or after the happening of a specified event, the time of payment is determined by excluding the day from which the time is to begin to run and by including the day of payment.

"(3) Where a bill is payable at a fixed period after sight, the time begins to run from the date of the acceptance if the bill be accepted, and from the date of noting or protest if the bill be noted or protested for non-acceptance, or for non-delivery.

"(4) The term 'month' in a bill means calendar month."

As mistakes frequently arise as to the calculation of the date of payment, it is frequently inserted on the bill, as soon as it can be ascertained, that the bill is payable a certain number of days after date, the date of payment is known at once. If it is expressed to be payable a certain number of days after demand, or sight, or presentation, the date of acceptance governs the whole, and the time of payment is not ascertainable until acceptance. In order to avoid any mistake as to Sundays, it is advisable to consult a calendar. The due date is of the utmost importance when it becomes necessary

to consider whether action at law is to be taken, and it must be remembered that no right of action accrues until after the expiration of the whole of the third day of grace, unless the bill has been previously dishonoured by non-acceptance.

In calculating the due date, it is necessary to recollect the provision contained in the last subsection, because at common law a month always meant a lunar month. The word as applied to bills of exchange means a calendar month. A bill drawn payable thirty days after date and dated February 1st is due on March 5th or 6th, according as the year is or is not a leap year. A similar bill drawn payable one month after date is due on March 4th. If, however, any of these dates in March happens to fall on a Sunday, or a day appointed as a public fast or thanksgiving day, the due date of payment is advanced to the preceding business day. Similar calculations will have to be made as to the due date if the bill becomes due on such a date as to fall within the other proviso of the section quoted above. Again, a bill dated on January 1st and payable thirty days after date, subject to the provisos stated, is due on February 3rd. A bill dated November 28th and payable three months after date is due on March 3rd, although in leap year the date would be advanced to March 2nd; and a bill dated January 28th, 29th, 30th, or 31st, and payable a month after date, is due on March 3rd, except that in leap year the first-named would become due on March 2nd.

Days of grace are allowed upon promissory notes just as upon bills of exchange, and if the payment of a bill or of a promissory note is to be made by stated instalments, the three days of grace are allowed upon each instalment. There are no days of grace in the case of cheques.

When a bill is drawn in one country and is payable in another, the date of payment is calculated according to the law of the country in which the bill is payable. If, therefore, an English bill is payable in a country which does not allow days of grace, the date of payment is fixed by the instrument, but if a foreign bill is payable in England, three days of grace are allowed, unless the bill is one of the class which do not allow days of grace. It may be noted that days of grace are not allowed in France, Germany, Russia, Norway, Sweden, Denmark, Holland, Belgium, and Italy. In Canada three days are allowed, but in the United States the number varies.

In any case, it is quite possible for a bill or a promissory note to be drawn without any days of grace being allowed. This, however, must be clearly indicated upon the instrument itself, as no extraneous evidence is admissible to vary the document. The usual way to indicate this exception is to mark the bill or promissory note "without grace" or "without days of grace."

The phrase "days of grace" is also used to signify the time of indulgence allowed for the payment of insurance premiums after they have become due. These are only allowed, however, by the courtesy and custom of insurance offices—they do not exist as a matter of right.

DAY TO DAY LOANS.—Also spoken of as "day to day money" and "call money." Bankers have frequently considerable sums of money on hand which they do not require to keep in their tills or to deposit with the Bank of England, but which they do not care to lock up for any period, in case some sudden emergency should arise. Instead,

then, of allowing this money to lie idle, it is lent out to billbrokers, stockbrokers, and others at a fixed rate of interest for a single day, on the distinct understanding that it can be called in, if required, at a moment's notice. As the main object of the banker is to lend simply on short notice, and if he is satisfied that the money can always be called in at once, these day to day loans are frequently continued and extend over a considerable time, but always on the understanding that the loans are, as it were, made freshly every day.

DEAD ACCOUNT.—This is a term applied in banking to an account which is no longer operated upon by a customer. It is more especially applicable to the money, stock, and other securities which stand to the credit of a deceased person who has dealt with the bank during his lifetime. The death of a customer revokes the banker's authority, and no dealing is possible with the account until a representative of the deceased executor or administrator has been appointed. Legally, a banker would be entitled after six years to claim as his own the property in his possession. This is by reason of the Statute of Limitations. In practice, however, he is always ready to restore it to any person who can make out a legal title. (See UNCLAIMED BALANCES.)

The term is also met with in book-keeping, and then it signifies an account which deals with things as distinguished from persons, such as petty cash account, charges account, goods account, etc.

DEAD FREIGHT.—The expression "dead freight" is used to denote the compensation payable to the shipowner when the charterer has failed to ship a full cargo. It may be payable at an agreed rate, but more generally its amount has to be assessed by ascertaining the loss actually sustained by the shipowner, after taking into account the further expenses he would have been put to if the whole cargo had been shipped. The shipowner has no lien for this compensation apart from express contract, nor will such a lien be given him except by clear words. It is clearly beyond the master's authority, in hiring another ship, to bind the merchant to pay for dead freight. Where a port of loading is named, under a charter for a full cargo, and the amount of freight depends upon the amount of cargo carried, the charterers cannot order the vessel to a port at which she cannot load a full cargo, owing to a bar which will have to be crossed. The liens given by the charter party for dead freight and demurrage cannot generally be maintained as against shippers or assignees for value, unless the bills of lading expressly incorporate those terms of the charter party. When the bill of lading expresses that the consignee is to pay "freight and all other conditions as per charter party," the conditions of paying the dead freight and demurrage due under the charter before getting delivery are brought in and the liens are preserved. If, however, it is provided by the bill of lading that freight shall be paid, or that the goods shall be paid for, "as per charter party," the lien given by the charter party does not attach either for dead freight or demurrage, as against bill of lading holders who are strangers to the charter party.

DEAD LETTER.—An undelivered and unclaimed letter. If a letter is imperfectly or improperly addressed, and there is no clear knowledge as to the real name and address of the person to whom it is sent, it is forwarded to the Dead Letter Office Department of the General Post Office, situated at

Mount Pleasant, London, E.C.1 where it is opened and returned to the sender if his or her name and address can be found. If the sender is undiscoverable in this way, the letter is ultimately destroyed.

DEAD LETTER OFFICE.—(See DEAD LETTER.)

DEAD LOAN.—If money is lent for an undefined period, or if it is not repaid to the lender at the time agreed upon, it is generally spoken of as a dead loan.

DEAD RECKONING.—The calculation made of a ship's position at sea by means of the compass and log line. The former serves to point out the course on which the vessel is sailing, the latter the actual distance run. By making proper allowances, which are generally well-known, for the variations of the compass, currents, etc., it is possible to ascertain, with a fair degree of accuracy, the position in any part of the world without any other observations.

DEAD RENT.—In mining leases there is very frequently a stipulation that the rent which is to be paid shall depend upon the quantity of minerals raised and the prices which they fetch. Obviously if the mine ceased to be worked through any cause, the mining rent, or royalty, would be reduced to zero. It is to escape from this contingency that, instead of calculating the rent exclusively upon a royalty basis, a certain fixed rent is made payable in any event, whether the mine is worked or not. This is known as dead rent.

DEAD SECURITY.—This means a security that cannot be converted into money. The name is generally given by financiers to collieries, mills, manufactories, landed property, mines, machinery, and such properties which are absolutely worthless as securities unless they are worked.

DEAD WEIGHT.—A statement in a charter party that a ship is of a specified register tonnage is a matter of description, and is not a warranty that she is of that exact tonnage. If the misdescription is very gross, it may be evidence of fraud, or possibly the charterer may refuse to load the vessel on the ground that she is not the thing he bargained to have, but if the description is practically complied with, the charterer is bound to accept her. The number of tons of 20 cwt. a vessel will lift is called her "dead-weight capacity," "dead weight," "draw," or "capacity." "Capacity" is also applied to the "room" or number of cubic feet available for stowage in the holds of a ship, which may differ materially from the weight she can lift without putting her load-line under water. A guarantee by a shipowner of a ship's carrying capacity being so much "dead weight" is a guarantee of the vessel's carrying capacity with reference to the contemplated voyage and the description of the cargo proposed to be shipped, so far as that description was made known to the owner.

DEALS.—Boards of fir or pine wood, measuring commercially 3 in. in thickness and 9 in. in width. They are obtained from the Baltic ports.

DEAR MONEY.—Money is said to be "dear" when the floating supply of gold is scarce and advances are unobtainable, even on the very best securities, except at a high rate of interest, owing to the pressure in the money market, or a high bank rate. (Compare CHEAP MONEY.)

DEATH DUTIES.—(See ESTATE DUTY, EXECUTOR, LEGACY DUTY, SUCCESSION DUTY.)

DEATHS, REGISTRATION OF.—(See BIRTHS AND DEATHS REGISTRATION.)

DEBATE, RULES OF.—In many cases special rules are prescribed as to the conduct of meetings, and these must be strictly adhered to. In the absence of such rules, however, the following may be usefully applied—

(1) Every motion should be taken in the order in which it is set out in the agenda paper, and no exception should be allowed unless there are special reasons for the same and the meeting consents to the course being adopted.

(2) Every motion and any amendments thereto, except a formal motion (e.g., "that the question be now put"), should be in writing, signed by the mover, and, where it is customary, duly proposed and seconded.

(3) When a motion is once before the meeting it is in the custody of the meeting, and should not be withdrawn without the meeting's consent. Such withdrawal must be made before the motion is put to the vote. The mover of the motion should not apply for its withdrawal unless he has obtained the consent of the seconder. Every motion must be relevant to the business under consideration and within the scope of the notice of the meeting.

Unless the articles or the regulations so require, it is not imperative that motions or amendments should be seconded. There is no law which prevents a motion or an amendment thereto being put, unless it is seconded.

Amendments may be moved to a motion after it has been moved and seconded, and before it has been put to the meeting.

(4) When an amendment has been put and carried, it supersedes the original motion, and must be put again in the amended form as a substantive motion, to which amendments may be moved in the ordinary way.

(5) It is not desirable to have more than one amendment before a meeting at the same time.

(6) Voting should be, in the first instance, by a show of hands; the demand for a poll should be subject to some minimum of support.

(7) The chairman must have, subject to the control of the meeting, the right to determine the order in which the intending speakers shall address the meeting. Subject to the closure and also at the discretion of the chairman, every person has generally the right to speak once, but once only, to any motion or amendment, with the exception of the mover, who has usually the right to a brief reply. It is the better practice to allow speakers for and against a motion to be heard alternately. Any person may speak only once, except to move a formal motion (e.g., that the question be now put); to ask a question; to raise a point of order; or to make a short personal explanation.

(8) In speaking, each speaker should address and face the chair and remain standing whilst speaking. In committees, members generally remain seated whilst addressing the chair.

(9) Debate must be relevant to the subject under discussion, and must relate to something before the meeting; in reference to a motion, amendment, or point of order.

(10) All appeals on points of order should be made to the chairman, whose decision thereon must be unquestioned, and regarded as final and binding on the meeting.

(11) At company meetings the customary forms of interruption are—

- (a) To amend a motion;
- (b) To adjourn;

(c) To postpone a decision; and, rarely,

(d) To closure the debate. The "previous question" moved for the purpose of evading discussion is rarely made use of, and should not be encouraged.

Such motions can usually be moved at the conclusion of the speech of any member of the meeting and are generally moved with the briefest accompanying remarks (if any).

(12) No motion to rescind any resolution should be allowed at the meeting at which such resolution was adopted; and it is usual to allow for the expiration of (say) six months before a motion for rescission may be moved, of which due and adequate notice must be given.

(13) Questions to officers of the company may, with the permission (express or implied) of the meeting, be put. Matters of importance should be put to such officers through the chairman, and such procedure in general should be adopted.

(14) It is not desirable, in any circumstances, for paid officers to take part in discussion at a meeting, especially when there is difference of opinion.

(See COMMITTEE AND COMMITTEE MEETINGS.)

DEBENTURE BONDS.—These are debentures which are generally redeemable at the end of a specified period.

DEBENTURE INTEREST COUPON.—(See DEBENTURES INTEREST COUPON.)

DEBENTURES.—The term "debenture" is one of an extremely wide signification, but in its commonest acceptation it signifies some form of security given by a company or a body of persons in return for money advanced by way of loan. It is derived from the Latin *debeo*, "I owe."

General Powers of Borrowing. The mere fact of trading does, generally speaking, confer a right of borrowing money for the interests and in connection with the business, and, therefore, it is not absolutely essential that borrowing powers should be given by the memorandum or by the articles of association. Still, it is always advisable that provision should be made for borrowing, and that there should be conferred upon the company the right to charge some portion of its undertaking as a security for the money advanced.

Borrowing by Company or Corporation. The powers of borrowing of a joint stock company engaged in trading must be carefully distinguished from the powers possessed by a corporation or body not engaged in trade. As pointed out above, a trading concern may always borrow without special powers; a corporation is bound by its charter, and any attempt to borrow beyond what is allowed is an act *ultra vires* (q.v.). When a company is established or incorporated by Act of Parliament, its borrowing powers are invariably limited by its special Act.

Powers under Articles. It is advisable, however, in all cases that the memorandum or articles should contain clauses relating to the borrowing powers which the company is to enjoy, and the nature of the security which is to be given when these powers are exercised. If the memorandum and articles are silent upon the subject, a special resolution is necessary before debentures can be issued. These borrowing powers are invariably exercised by the directors of the company. If the directors exceed their powers, the act is *ultra vires* (q.v.) the company, and the lender has no right to reclaim his money. Even the security which he may have received is void. It is the

duty of the lender to inquire into, and to know, what are the exact powers of the company, and if he fails to do so he has only himself to blame if he is a total loser, but such a lender has a right of action against the directors personally as for breach of an implied warranty of authority. But the lender is not bound to see to the application of the money which he advances, and if he does so he is able to rely upon his security, since the loan itself was quite valid.

Security for Debentures. In regard to the security given the directors can charge any part of the assets of the company with the exception of uncalled capital. The uncalled capital can only be charged if there is a special power given in the memorandum or the articles, and even then the power does not extend to that part of the capital which has been constituted a reserve liability (*q.v.*) and which can only be called up, under Section 29 of the Companies (Consolidation) Act of 1908, in the event of and for the purposes of the company being wound up.

Mode of Borrowing. Unless expressly restrained by the articles of association, a company is entitled to borrow money in the same way as an ordinary individual. For example it can borrow upon bills of exchange or promissory notes, or by obtaining an overdraft from its bankers. This is simply an incident of the business, but there are other ways of raising money for the benefit of the company and these generally consist in—

(a) A mortgage or charge for the purpose of securing any issue of debentures.

(b) A mortgage or charge on uncalled share capital of the company (subject to what has been already said).

(c) A mortgage or charge created or evidenced by an instrument which, if created by an individual, would require registration as a bill of sale.

(d) A mortgage or charge on any land, wherever situate, or any interest therein.

(e) A mortgage or charge on any book debts of the company.

(f) A floating charge on the undertaking or property of the company.

It will be obvious, therefore, that a company is enabled to mortgage any part of its real property, either by a legal or an equitable mortgage, and to execute a mortgage of its chattels in the same manner as an individual, by means of a bill of sale, but the most common way adopted by a company for raising money is to create debentures, and these alone need special consideration when dealing with companies and company law.

Debentures Generally. In form a debenture is a charge or mortgage upon the undertaking or property of a company, bearing a fixed rate of interest, and either repayable within a fixed term of years, or redeemable during the existence of the company. A person to whom the interest and the principal money are secured is called a debenture holder. There is no precise definition of what a debenture is, and the term is not a technical one. It has been judicially observed, "I cannot find any precise legal definition of the term. It is not either in law or commerce a strictly technical term, or what is called a term of art." Debenture has been applied to describe such an instrument as a railway mortgage or bond, and also a personal security, e.g. the Druce bonds. The last named, however, can have little or nothing in common with a debenture

secured by mortgage, either from the point of value or from the point of the legal rights and remedies available to the debenture holder.

Forms of Debentures. There are many forms of debentures, but, speaking generally, they may be divided into two classes. The first is mortgage debentures, which give a charge over a part or over the whole of the assets of the company, and the second is debentures which give no charge at all, but simply consist in a promise to pay a sum of money in consideration of a loan made to the company. The former is much more common than the latter. There is also another division, a very simple one, into debentures which are registered in the company's books, and debentures of which the rights pass by delivery. The first are known as "registered debentures" and the other class as "debentures to bearer." It has been judicially decided that debentures to bearer are negotiable instruments, in the full sense of the term, by the general custom of merchants.

Registered Debentures and Debentures to Bearer.

Registered debentures are expressed to be payable to the registered holders of the same. If any change is to take place in the ownership, the debentures must be transferred as shares or stock, and the instrument of transfer must also be registered with the company. Debentures to bearer are payable to the bearer thereof, and are transferable by delivery. No holder is registered, and, therefore, the transfer stamp duty is avoided, as in the case of share warrants. But, upon issue, debentures to bearer require to be stamped at the rate of 10s. per cent. on the amount secured by them, calculated upon multiples of £10; whereas registered debentures, being liable to transfer duty, are only stamped at the rate of 2s. 6d. per cent., with certain gradations, as shown below.

Debentures and Debenture Stock. There is often a distinction made between debentures and debenture stock. In reality the holders of debentures stand in very much the same position as the holders of debenture stock. The difference consists mainly in the mode of transfer. Ordinarily debenture bonds are only transferable in their entirety, debenture stock may be transferred in whole or in part, provided that such part does not involve a fraction of a stated amount. Debenture stock is frequently made transferable in multiples of £10. There are also other peculiarities of transfer, the main object being to secure identification.

Issue of Debentures. When the directors of a company have resolved to issue debentures, an invitation is made to the public to subscribe for the same. The issue of debentures is so extremely common, and the fact is so generally notified in the public press, that the reader can easily supply himself with particulars as to the intended issue and the conditions which are imposed. It will be found in almost every case that a fixed rate of interest is payable, and the payment of this interest will form a first charge upon the profits and assets of the company, subject to what is stated hereafter. Since debentures are a debt created by the company, the money raised by them forms no part of the capital of the company. It has been decided over and over again that debentures may be issued at a discount, thus making a great distinction between their issue and the issue of the share capital of the company. When a company is particularly successful its debentures, if any are issued, are eagerly

THE A. B. COMPANY, LIMITED.

Incorporated under the Companies Acts, 1908-17

Registered Office: 379 LUDGATE HILL, LONDON, E.C.

10. 78 MORTGAGE DEBENTURE £100

Issue of £10,000 Mortgage Debentures in 100 Debentures of £100 each, numbered 1 to 100 inclusive. Bearing interest at the rate of £5 per cent. per annum.

1. The A. B. Company, Limited (hereinafter called "The Company"), will on the 31st day of December, 19.., or on such earlier date as the principal money hereby secured shall become payable, in accordance with the conditions indorsed hereon, pay to Charles Dickinson, of 395a, North Road, Guildford, in the County of Surrey, or other the registered holder of this Debenture, his executors, or administrators, the sum of £100, due and owing by the Company to the said Charles Dickinson, as the Company doth hereby acknowledge.

2. The Company will, until payment of the principal money hereby secured, pay to the registered holder hereof, his executors or administrators, interest on the said sum at the rate of five pounds per cent. per annum, by half-yearly payments, on the 30th day of June and the 31st day of December in each year, the first of such half-yearly payments to be made on the 30th day of June, 19..

3. The Company doth hereby, as beneficial owner, charge with such payments, all its property, whatsoever and wheresoever, both present, and future, including its uncalled capital for the time being.

4. This Debenture is issued upon, and subject to, the conditions indorsed hereon, which shall be, and be read as, part of this Debenture, and which the Company covenants to observe and perform in every respect.

Given under the Common Seal of the Company this 1st day of January, 19..



Ernest Franks }
George Howard } Directors.
Montague Norris Secretary.

THE CONDITIONS WITHIN REFERRED TO

1. This Debenture is one of a series of 100 Debentures of £100 each, number 1 to 100 inclusive, issued or about to be issued by the Company for an aggregate amount of £10,000. The Company shall be at liberty to issue further Debentures of a like nature, to rank *pari passu* with the Debentures of this series.

2. The Debentures of this series shall rank *pari passu* as a first charge upon the property, charged by the Debentures without any preference or priority one over another, and shall, until the moneys hereby secured shall become payable, be a floating security, and the Company shall not create any mortgage or charge in priority to the said Debentures.

3. The principal money hereby secured shall immediately become payable if the Company makes default for a period of three calendar months in the payment of any interest hereby secured, and the registered holder hereof before such interest is paid by notice in writing to the Company call in such principal money, or if a distress or execution is levied upon or against any of the property and the assets of the Company, and is not paid out or withdrawn within ten days, or if a receiver of any property and assets of the Company is appointed by any court of competent jurisdiction, or if an order is made or an effective resolution is passed for the winding-up of the Company.

4. The principal money and interest hereby secured will be paid at the Registered Office of the Company, or at the Company's bankers for the time being, or at the option of the Company at some place in London to be named by it.

5. The Company will cause a register of the Debentures to be kept wherein shall be entered the names, addresses, and descriptions of the holders of the Debentures, and the number of the Debentures held by them respectively.

6. The registered holder will be regarded as exclusively entitled to the benefit of this Debenture, and all persons may act accordingly, and the Company shall not be bound to enter in the register notice of any trust, or to recognise any right in any other person save as herein provided.

7. The registered holder for the time being of this Debenture may by instrument in writing transfer the same. The instrument of transfer shall be left at or sent to the registered office of the Company with a fee of five shillings, and thereupon the transfer shall be registered, and the name of the transferee entered in the register as the holder of this Debenture. The Company shall be entitled to retain the transfer.

8. No transfer will be registered during the thirty days immediately preceding the days by this Debenture fixed for payment of interest.

9. In the case of joint-registered holders, the principal money and interest hereby secured will be deemed to be owing to them on a joint account.

10. The principal money and interest hereby secured will be paid without regard to any equities between the Company and the original or any intermediate holder hereof, and the receipt of the registered holder for such principal money and interest shall be a good discharge to the Company.

11. The Company may at any time give notice in writing to the registered holder hereof, his executors or administrators, of its intention to pay off this Debenture, and upon the expiration of six calendar months from such notice being given the principal money hereby secured shall become payable. In case of joint holders the notice shall be sufficient if given to the first named of such holders.

12. A notice may be served by the Company upon the holder of this Debenture by sending it through the post in a prepaid letter addressed to such person at his registered address.

13. Any notice served by post shall be deemed to have been served at the expiration of twenty-four hours after it was posted, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put in to the post.

14. In any of the cases set out in Clause 3, the registered holder of this Debenture may, with the consent in writing of the holders of the majority in value of the outstanding Debentures of this series, appoint by writing any person or persons to be a receiver or receivers of the property charged by the Debentures, and such appointment may be made at any time after the principal moneys hereby secured become payable, and shall be as effective as if all the holders of Debentures of this series had concurred in such appointment. And a receiver so appointed shall have power

(a) To take possession of the property charged by the Debentures,

(b) To sell, or concur in selling, any of the property charged by the Debentures.

And all moneys received by such receiver or receivers shall, after providing for the matters specified in the first three paragraphs of Clause 8 of Section 24 of the Conveyancing and Law of Property Act, 1881, be applied in or towards satisfaction *pari passu* of the Debentures. And the foregoing provisions shall take effect as and by way of variation and extension of the provisions of Sections 19-24 of the said Act, which provisions so varied and extended shall be regarded as incorporated herein.

Dated the 1st day of January, 19--

**THE A.B. COMPANY,
LIMITED**

£100

DEBENTURE

FOR

£100

Bearing interest at the rate of five
per centum per annum.

£100

sought for by the investing public, as offering a secure return for the money advanced. The application for, and the allotment of, debentures follow the same lines as those adopted in the case of the application for and the allotment of shares. The advantage to the company is often very great. A company may be making an excellent profit on its capital, and may see a favourable opportunity of increasing its turnover if it is supplied with additional funds. If the financial position of the company is sound, these additional funds are obtained by guaranteeing a small rate of interest, and a profitable use of the money advanced will greatly increase the dividends of the ordinary shareholders.

When the application for debentures is satisfactory, and the persons who have applied are accepted as debenture holders, a document is issued by the company which sets out the terms of the contract entered into between the parties, and the conditions of the issue are invariably indorsed upon it. The precise nature of the bond will depend upon the nature of the business carried on by the company, and the peculiar circumstances of the case. If the debentures are issued under seal, there is no need to set forth the consideration; but unless they are created by deed the consideration must be stated.

Specimen of Mortgage Debenture. The common form of a mortgage debenture payable to a registered holder is given as an inset.

Although the clauses set out in the indorsement of the debenture which is given as a specimen are the general ones, they do not pretend to be exhaustive. Parties are free to contract in whatever terms they please, so long as they are acting legally, and if any additional terms are added they must be complied with. It is not uncommon, when there is a trust deed, for an additional clause to provide for the registered holder having the benefit of such deed, the outlines of which will, of course, be given. If the company charges its property generally, and not merely a portion of its immovable property, the third clause of the front part of the debenture will run somewhat as follows—

The Company doth hereby charge with such payment its undertaking and all its property whatsoever and wheresoever, both present and future.

The clause must be still further amplified if the uncalled capital is to form a part of the security.

Debentures require to be stamped, and the rate of duty is fixed by the Finance Act, 1899. It is as follows—

Where the amount secured does not exceed	s.	d.
Exceeds £10 and does not exceed £25	10	0 3
£25	25	0 8
£50	50	1 3
£100	100	2 6
£150	150	3 9
£200	200	5 0
£250	250	6 3
£300	300	7 6

and an additional stamp duty of 2s. 6d. for every £100 or fractional part of £100 after £300.

Debenture to Bearer. There is very little difference between the form of a debenture issued to a registered holder and a debenture to bearer. The latter, however, generally contains a statement to the effect that payment of the amount of the debenture will be made, subject to any conditions indorsed on the debenture form, to the bearer upon presentation. A debenture to bearer has,

in the majority of cases, coupons attached to it for the payment of interest, and the document will then also stipulate that the interest on the money will be paid to the person presenting the coupons, in accordance with the terms annexed to the coupons. The conditions indorsed on the debenture will also vary considerably from those on the debenture bond of a registered holder, but the general omissions are so obvious that they need not be more particularly noticed. The stamp duty is 10s. per cent., calculated upon multiples of £10. Thus, on a £10 debenture, or part of £10, the stamp is 1s.

Perpetual Debentures. The person who advances his money usually wishes, as in the case of a mortgage to an individual, to have some certainty as to the date of the repayment of the money advanced. Debentures have often a condition attached to them that repayment shall be made at a fixed time. But, by the Companies Act, 1907, it was made possible for a company to issue perpetual debentures. The section of the Act of 1907 has now been replaced by Section 103 of the Act of 1908.

Re-issue. Another innovation of the Act of 1907 had reference to the re-issue of redeemed debentures. The statutory provisions as to this matter are now contained in the most concise form in Section 104 of the Act of 1908.

Specific Performance. When a person has contracted with a company to take debentures or debenture stock, he is now empowered to institute an action for specific performance (*q.v.*) if the debentures are not issued to him. This, again, was an innovation made by the Companies Act, 1907.

Security. For the greater security and protection of the debenture holders, the property of the company is frequently conveyed, in whole or in part, by way of mortgage to be held by trustees in trust for the debenture holders. The deed by means of which this is effected is called a "covering" or a "trust deed." If such a deed is in existence, the debentures themselves should contain a condition incorporating its terms by reference. The form of the deed will depend entirely upon the special circumstances of the case.

Floating Charge. When the covering or trust deed conveys immovable property to the trustees, there is little difficulty connected with the matter; but it is a totally different affair when the company seeks to charge such things as stock-in-trade, book debts, etc., as security for debentures. This kind of charge is generally effected by what is known as a "floating charge." Under such a charge the company is able to deal with its movable property in the ordinary course of business, so long as it is a going concern, which it could not strictly do in the absence of the power, but as soon as a receiver (*q.v.*) is appointed, or the business of the company comes to a standstill, or there is a winding-up, the charge crystallises and becomes enforceable. In a well-known case it has been said: "A floating security is an equitable charge on the assets for the time being of a going concern; it attaches to the subject charged in the varying condition it happens to be from time to time. It is of the essence of such a charge that it remains dormant until the undertaking charged ceases to be a going concern, or until the person in whose favour the charge is created intervenes. His right to intervene may, of course, be suspended by

agreement, but if there is no agreement for suspension, he may exercise his right whenever he pleases after default." Thus, for instance, when a company is carrying on business, and no receiver has been appointed, or no winding-up order made, the fact that there is a floating charge does not give the debenture holder the right to require that any particular debt owing to the company shall be paid to him, and again, if a debt owing to the company has been garnished, the garnishee (*q.v.*) cannot refuse to pay the judgment creditor, because he is aware that the company has issued debentures. The creation of a floating charge does not necessarily prevent a company from creating specific charges on specific assets, having priority over the debentures, unless there is a clause to that effect in the instrument, as shown above at the end of Clause 2. Moreover, the holder of a debenture creating a floating charge is entitled to issue a writ for the protection of his interest before the principal money secured by the debenture has become payable, and if, when the case comes on for hearing, the money has become due or the security has crystallised, the court has jurisdiction to make an order for realisation of the security, and, so far as is necessary, for foreclosure.

Priorities. The object in securing debentures is to gain priority in case the company is wound up. There are certain charges, however, which have priority even over debentures, e.g., a landlord who distrains for rent, a judgment creditor who actually seizes and sells property covered by the floating charge, and certain claimants in winding-up. Again, where a company is being wound up, a floating charge on the undertaking or property of the company created within three months of the commencement of the winding-up will, unless it is proved that the company immediately after the creation of the charge was solvent, be invalid, except to the amount of any cash paid to the company at the time of or subsequently to the creation of, and in consideration for, the charge, together with interest on that amount at the rate of 5 per cent. per annum.

Registration of Debentures. All debentures must be entered on the register of the company, but they are expressly excluded from registration as bills of sale. (There are various registers. Some are kept by the Registrar of Joint Stock Companies, and others by the company.) This register of mortgages and charges is a public one, and any person is entitled to inspect it on payment of a fee of 1s. An omission to register the charge within the prescribed time renders it void as regards the property comprised in it, though the omission does not invalidate the covenant to pay the debt. Failure to keep a proper register of mortgages and charges renders the directors liable to heavy penalties, though the court may, in certain cases, give relief when it is clear that the absence of registration is able to be explained. Its existence is of great value to the public, and its contents make clear the nature and the order of the secured debts of the company. The register was established by the Companies Act, 1862, but as it was held that failure to register mortgages and charges did not invalidate those mortgages and charges, it did not serve any useful purpose until the passing of the Companies Act, 1900, which made void every charge not entered therein. The provisions of the Act of 1900, together with the amendment of the Act of 1907, are now reproduced in Sections 93-102

of the Act of 1908, to which reference should be made for full particulars. (See **REGISTRATION**.)

Transfer. Debentures which are debentures to bearer are transferable by delivery; but debentures which are debentures to registered holders are only transferable according to the conditions which are indorsed upon the debenture bond. If no particular mode of transfer is indicated, they are transferable in the same way as an ordinary chose in action, that is, by means of a written notice given to the company, and by a document in writing signed by the transferor. A common form of transfer is shown as an inset. Another form frequently used runs as follows—

I, A. B., of, in consideration of the sum of £ paid to me by C. D., of
Do hereby transfer to the said C. D., his Executors, Administrators, and Assigns, certain Registered per cent. Debenture Bonds made by the X. Y. Company, Limited, to me, and dated the day of, 19 . . . , the said Debenture securing the sum of £ and interest, and all my right, estate, and interest in and to the money thereby secured on the properties and securities thereby assigned.
In Witness whereof I have hereunto set my hand and seal this day of, 19 . . .

Signed, sealed, and delivered
by the above-named

A. B.
in the presence of
Signature
Address
Occupation

A. B. (L. S.)

Signed, sealed, and delivered
by the above-named

C. D.
in the presence of
Signature
Occupation

C. D. (L. S.)

The stamp duty chargeable is the same as upon a transfer of shares.

Remedies of Debenture Holders. Just as a mortgagee has a right to demand back his money under certain conditions, and, if he is not paid, to realise his security, so a debenture holder who fails to obtain the payment of his interest regularly is entitled to pursue certain remedies for his own benefit and for the benefit of his fellow debenture holders. The conditions under which a debenture holder is entitled to enforce his security are indorsed on the debenture, and they also depend to a certain extent upon the trust deed which secures the debentures. But the rights of a debenture holder are generally one of the following—

- (a) To sue the company for the repayment of the principal and the interests due upon the debentures;
- (b) To present a petition for winding-up the company;
- (c) To prove for the debt in the winding-up;
- (d) To appoint a receiver.

The last of these is that most frequently resorted to by the debenture holder, because a company may be merely in temporary difficulties from which a little judicious management may extricate it. And it will generally happen that the security is good enough to allow of the business being carried on without any undue risk to that security. The right to appoint a receiver must be given by the

[SPECIMEN OF A DEBENTURE TRANSFER.]

AMP I, *Artemas John Munro*,
 10s. of *City Road, Leeds*,
 in consideration of the sum of *Four hundred and ninety-five pounds* paid by
Godfrey Kenneth Bull, The Drive, Wrexham,

nafter called the said Transferee.—

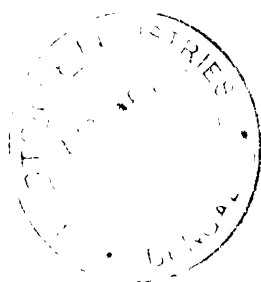
Do hereby bargain, sell, assign, and transfer to the said Transferee the undermentioned
 bentures issued by *The Blank Company, Limited*, that is to say, *Five First Mortgage Debentures*
£100 each, numbered 786 to 790 inclusive, and the full benefit thereof.

To HOLD unto the said Transferee, his Executors, Administrators, and Assigns, subject to
 he several conditions on which I held the same immediately before the execution hereof ; and
 the said Transferee, do hereby agree to take the said debentures subject to the same conditions.

AS WITNESS our Hands and Seals this *seventh* day of *June* in the
 year of Our Lord One thousand nine hundred and *twenty*.

Witness { Signed, sealed, and delivered by the
 above-named *Artemas John Munro*,
 in the presence of
 Signature *Frederick Dawson*, *A. J. Munro* (L.S.)
 Address *2 Hall Mansions, S.W.*
 Occupation *Private Secretary*

Witness { Signed, sealed, and delivered by the
 above-named *Godfrey Kenneth Bull*,
 in the presence of
 Signature *Robert Slater*, *G. K. Bull* (L.S.)
 Address *The Drive, Wrexham*,
 Occupation *Butler*



indorsed conditions. There are other rights which a debenture holder may enjoy under his contract, especially those of sale or foreclosure. These, however, present difficulties of a technical character, and it is best to rely upon the appointment of a receiver in the first instance.

Appointment of Receiver. A receiver (*q.v.*) may be appointed by the debenture holders, and it will depend upon the conditions whether he is the agent of the debenture holders or of the company. This is an important matter, owing to the liability which attaches to a principal for the acts of his agent. In certain cases a receiver is appointed by the court, and in his official position he is then an officer, and, therefore, an agent, of the court. The court will generally act when it is proved to its satisfaction that the principal of the debenture has become due and remains unpaid, that the interest on the same is in arrear, and that the property comprised in the trust deed is in danger, or that the company has ceased to carry on business or is being wound up. The duty of the receiver is to take possession of the secured property and to hold and preserve the same for the benefit of the debenture holders. Sometimes the court will appoint a manager as well as a receiver, or the same person may be appointed to act in the double capacity. A manager is generally necessary when it is the intention to carry on the business and to dispose of it, if possible, as a going concern. These things, however, are matters of practice, and need not be entered into in detail here.

Priority. A debenture holder is a secured creditor, and, therefore, is preferred, as far as his security goes, to the general creditors of the company; but the payments which have to be made by reason of the Preferential Payment in Bankruptcy Act, 1897, now repealed and re-enacted by the Bankruptcy Act, 1914, must be met before any of the assets realised by the receiver, or otherwise, are distributed amongst the debenture holders. (See WINDING-UP.)

DEBENTURES AT A DISCOUNT.—Debentures are frequently offered to the public at a discount where a company desires to raise a loan on advantageous terms, hoping in the future to recoup the difference between the amount paid up by the debenture holders and the par value of their bonds at the date of maturity during the "life" of the debentures. Strictly speaking, this discount allowed by the company to its debenture holders is a charge upon the cost of the issue, and it is quite admissible to spread the amount of the discount thus allowed over a period of years equal to the "life" of the bonds, or even for a less term, but in any case the amount allowed as discount must be charged up to revenue before the debentures are eventually redeemed, in the same way as though the debentures were issued at par, and were redeemable at a premium when maturing. There are instances where debentures are not only subscribed for at a discount, but are also repayable at a premium. It then becomes necessary to provide during the "life" of the debentures for the amount of discount, and also for the premium payable on maturity.

There are two rather important points to be considered in regard to the issue of debentures at a discount. The first is that the annual return of members must state on the first page any amounts allowed by way of discount on any debentures since the last return. [See Companies (Consolidation) Act, 1908, Sec. 26 (2) (j)]. Again, the balance sheets of

all companies must contain the amount allowed by way of discount in respect of debentures, and must also show so much as has been written off out of revenue from time to time until the cost of the discount has been eliminated. [See Companies (Consolidation) Act, 1908, Sec. 90.]

DEBENTURE SCRIP.—In many cases when a prospectus offering debentures is issued, the following or a similar statement is to be found in the document—

"Bearer Scrip will be issued after allotment, to be exchanged for Registered Debenture Stock Certificates after 19 The first payment of interest at the rate of per cent. per annum, calculated upon the instalments as due, will be made on 19 on presentation of the coupon attached to the Bearer Scrip."

The statement made in this form explains that bearer scrip is only a provisional certificate.

The word "scrip" is used as a contraction of subscription receipt. Although its most ordinary use is that in the sense indicated above, the term is frequently met with when reference is made to share certificates or documents of a similar character.

A subscriber who applies for debentures receives, if his application is successful, a letter of allotment, which is exchanged for scrip as soon as the first instalment, that is, the amount due on allotment, is paid. Scrip is not issued in the case of every issue of debentures. The scrip shows the number of bonds or shares taken up by the subscriber. It also indicates the amount of the instalments paid, and in some cases the dates when the further instalments will be due.

Upon the completion of the payments of the whole of the instalments, the scrip is exchanged for a definitive debenture bond.

The scrip certificate requires a l*l*d. stamp.

Interest coupons are sometimes attached to debenture scrip, and these are likewise subject to a stamp duty of l*l*d.

DEBENTURES INTEREST COUPON.—In the case of registered debentures, the interest is paid by interest warrant, but in the case of debentures to bearer the interest is paid by coupons which are attached to the bond itself. This interest coupon is a document in the nature of a cheque authorising a bank to pay on demand the interest which is due on the debenture.

In general each bearer bond has attached to it a series of coupons, and these series in the form just mentioned make up what is called a coupon sheet. Each coupon bears a specific date, and is usually presentable at the company's registered office or at the company's bankers on the date mentioned on the coupon. Cash is then payable on demand in exchange for the coupon.

The common practice with regard to the coupon sheet is to arrange for the last portion of it (usually called a "talon") to be exchanged for a further series of coupons, which can be obtained as soon as those on the original coupon sheet have been presented and paid.

The word "coupon" is derived from the French word *coupe*, meaning "cut."

DEBENTURE STOCK.—In reality, debenture stock is the same as debentures, except that debentures are generally for definite round sums, whereas the certificates for debenture stock are for different amounts. Debenture stock is transferred by a deed of assignment. (See DEBENTURES.)

DEBIT NOTE.—This is a document sent to the firm to whom goods are returned, or from whom an allowance on account of such matters as short delivery, or reduction of price, is claimed, giving full particulars of such return or allowance. The method of dealing with its entry through the books of each party is *debit to a* to the credit of a credit note.

Debit Note.

Manchester, Jan 4th, 1911.

Messrs. Barclay & Co., London
Debited by Infman & Co.

2, Acker, 79/80 159 yds. 2/9 £21 17 3

Damaged
Per F. & W. R. R.

DEBT. Money due by one person to another. In legal phraseology the term has frequently a wider meaning, and may include an amount which has to be ascertained by some future inquiry or valuation.

In English law there are three principal divisions of debts in general, and they are distinguished by the manner in which they are evidenced. These classes are: (1) Debts of record, (2) specialty debts, and (3) simple contract debts. Debts of record are sums which are due under judgments or recognisances. They are final, and cannot be disputed. The creditor is entitled to enforce payment in the latter case the creditor is the Crown—by means of execution against the debtor's goods, or by an order for committal to prison on a judgment summons, or by proceedings in bankruptcy. A specialty debt is one by which a sum of money is acknowledged to be due by a deed or under an instrument under seal. Such a debt requires no consideration to support it, and the creditor can sue upon it at any time within twenty years from the date of the deed or document under seal. A simple contract debt is the third of the classes of debt, and must be supported by a valuable consideration. It is created either with or without any document in writing, but if by the latter the document must not be under seal, otherwise it is a specialty debt. Such simple contract debt must be sued upon within six years of its date, otherwise no action can be taken upon it, owing to the Statute of Limitations (*q.v.*), though the debtor will not escape unless he specially pleads his expiration under the statute.

It is often erroneously supposed that a creditor has imposed on him the duty of seeking out his debtor when his debt becomes due. This is the opposite of the truth. It is the debtor who has to seek out his creditor. Again, there is no obligation imposed upon a creditor to make any demand for payment of the debt due to him before commencing an action for the recovery of the amount of the debt. But unless a prior demand is made, the conduct of the creditor is likely to be severely commented upon by the court. The action, as stated above, must be brought within six or twenty years from the time of its creation, according as it is a simple contract debt or a specialty debt. The Statute of Limitations, if pleaded, is in favour of the debtor. A debtor, however, may preclude himself from setting up the statute if he has in the meantime paid anything in respect of the debt, or allowed

interest upon the same, or given some signed acknowledgment of indebtedness within the six or the twenty years, as the case may be, of action being brought.

There is frequently a difficulty when the debtor is out of the jurisdiction of the English courts. If the debtor departs from England before the right to demand payment has accrued, the Statute of Limitations does not run in his favour, *i.e.*, the creditor can sue him upon his return, no matter how many years he may have been absent. But if the right to sue has once accrued before the departure, the statute commences to run at once and nothing can stop it. Unless, then, the creditor takes active measures, he may be deprived of all remedy. The only remedy is for the creditor to issue a writ, which runs for twelve months, and then to renew it continually until it can be served upon the debtor. On good cause being shown, a writ can always be renewed for an extra period of six months. In certain cases a debtor can be served abroad, and judgment may be obtained against him. This right, however, is strictly guarded, and is hedged in with various technicalities. (See INTERNATIONAL LAW.)

Whenever a debt is settled there must be complete accord and satisfaction (*q.v.*) between the parties. Thus, a debt of £20 cannot be settled by the payment of £15, unless there is some consideration for foregoing the balance of £5. This refers only to a payment in actual money. If payment is made in anything else than money, there may be complete satisfaction as well as accord. Thus, if the creditor accepts a cheque, or a bill of exchange, or even some chattel—and either of the first two is for an amount less than the debt—that is accord and satisfaction, and the debt is extinguished.

When the creditor cannot obtain payment, the general practice is to place the collection of the debt in the hands of an agent or a solicitor. The person who is thus employed is the agent of the creditor, and the creditor is responsible for any expenses incurred. It is the common practice of the agent or solicitor, when making a demand for the debt, to add something to this effect, that his charges must be paid by the debtor. Such a demand, whether it is 3s. 6d. or 6s. 8d., is not enforceable by law against the debtor. It is the creditor alone who is responsible for the payment of this additional sum.

When action has to be taken, a creditor should proceed in the county court, upon a default summons (*q.v.*), if the amount is less than £20—always providing the debt is for a liquidated amount—and in the High Court if his claim exceeds £100. When the debt is between £20 and £100, proceedings ought to be taken in the county court, unless the facts of the case are such that the debtor is unlikely to obtain leave to defend the action, when it is quite as cheap and sometimes more expeditious to proceed in the High Court under what is known as Order XIV (*q.v.*). If judgment is obtained within twenty-one days, costs are awarded on the High Court scale. If not, unless there is good reason shown, only county court costs will be granted.

DEBT, NATIONAL.—(See NATIONAL DEBT.)

DEBTORS ACT.—This Act was passed in 1869, and its object was to put an end to the indiscriminate imprisonment of debtors which had been so common up to that date. The Act prevented

imprisonment in future, except in the following cases, *i.e.*, in cases of—

(1) A penalty, or a sum of money in the nature of a penalty, other than a penalty under a contract

(2) A sum recoverable summarily on conviction, and not as a civil debt, before a court of summary jurisdiction.

(3) A sum in the possession or under the control of a trustee or a person acting in a fiduciary capacity, and ordered to be paid by the court.

(4) A sum payable by an attorney in respect of costs, when the order is made to pay the sum on the ground of misconduct, or in payment of a sum when the order is made to pay the same in his character as an officer of the court.

(5) A sum payable for the benefit of creditors out of any salary or other income, in respect of the payment of which any court having jurisdiction in bankruptcy is entitled or authorised to make an order.

(6) A sum payable by virtue of an order under the Act itself.

In any of the above excepted cases, a recalcitrant debtor may be imprisoned for a period not exceeding one year, but this has no reference to an order for imprisonment in default of payment of a judgment debt which is noted in the next paragraph.

If a debtor refuses or neglects to pay a judgment debt, he may be brought before the court, the High Court, or the county court, according to the court in which the judgment was obtained, and an inquiry is then made as to his means. It must be proved, first of all, unless the debtor appears, that the summons has been served upon him *personally*. If it is shown that the debtor has no means, no order will be made. But if his means of payment are proved to the satisfaction of the court, an order will be made, according to the discretion of the court, for payment at once of the whole or payment by instalments, and to the order may be added the penalty of imprisonment in case of non-compliance with the order. It must not be imagined that this constitutes an imprisonment for debt—it is imprisonment for contempt of court in refusing to obey its order. The period of imprisonment may be for any time not exceeding six weeks. The imprisonment does not act as a satisfaction of the debt, but a debtor cannot be imprisoned a second time in respect of the same debt. The only remedy that is afterwards left to the creditor is an execution against the lands, goods, or chattels of the debtor—if he possesses any.

If an action is pending in the High Court, and the amount in dispute is a sum of £50 or upwards, the plaintiff may, at any time before final judgment, obtain an order from a judge, on adducing satisfactory evidence on oath that he has a good cause of action against the defendant, and that the absence of the defendant from England will materially prejudice the prosecution of the action, for the arrest and imprisonment of the defendant for a period not exceeding six months, if there is a reasonable ground for believing that the defendant is about to go out of the jurisdiction, unless the defendant gives satisfactory security up to the amount of the claim that is being made against him.

The Act of 1869 was amended in certain respects by the Bankruptcy Acts of 1883 and 1890, with respect to those sections dealing with the imprisonment of fraudulent bankrupts. These Acts have

now been repealed and their provisions replaced by the provisions of the Bankruptcy Act, 1914. The substance of the enactments of the Act of 1914 are, briefly stated, that every person who is adjudged a bankrupt is guilty of a misdemeanour (*q.v.*), and is liable to imprisonment, if he commits any of the following offences, unless he is acquitted by a jury of an intention to defraud—

(1) If he does not to the best of his knowledge and belief fully and truly discover the whole of his property to his trustee in bankruptcy.

(2) If he does not deliver up the whole of his property in his custody, or under his control, and the books, papers, and documents relating thereto.

(3) If after the presentation of a bankruptcy petition by or against him, or the commencement of the liquidation, or within six months next before the commencement of bankruptcy proceedings, he conceals or removes any part of his property to the value of £10 or upwards, or if he makes any material omission in the statement of his affairs.

(4) If he fails for a period of one month to inform his trustee of the fact that a false debt is being proved against his estate.

(5) If he is a party to the abstraction or concealment of any book, paper, or other document relating to his affairs, or if within six months before the presentation of the bankruptcy petition he destroys, mutilates, or falsifies any such book, paper, or document.

(6) If within six months next before the presentation of the bankruptcy petition, or the making of a receiving order, he has obtained any property on credit and not paid for the same by means of any false representations, or if he obtains, under the false pretence of carrying on business, any property on credit, or pledges, or disposes of the same, except in the ordinary way of business.

There are, of course, many other offences constituted by the Bankruptcy Act, 1914, for the contravention of which an undischarged bankrupt is liable to severe penalties. These are noticed under UNDISCHARGED BANKRUPT.

By Section 13 of the Act of 1869, which still remains unrepealed, any person who is found guilty of any of the following offences is liable, on conviction thereof, to one year's imprisonment, with or without hard labour—

(1) If he incurs any debt or liability, and obtains credit under any false pretences or by means of any other fraud.

(2) If he makes any gift, delivery, or transfer of, or charge upon his property with intent to defraud his creditors.

(3) If he has concealed or removed any part of his property since or within two months before the date of any unsatisfied judgment or order for payment of money obtained against him."

DEBTORS LEDGER (SALES LEDGER).—The ledger containing the personal accounts of all parties by whom they are owing at any time, and, therefore, to which all items of goods sold on credit, money lent, etc., are posted. Sales are posted from the sales or day book to the debit of the accounts in this ledger. For facility in handling and posting, the accounts are often opened in alphabetical order, and in large concerns a series of debtors ledgers is used, *e.g.*, town, country, foreign, or/and A-D, E-G, etc.

DEBTS, ASSIGNMENT OF.—(See ASSIGNMENT)
DEBTS, COLLECTION OF.—The system of credit in trading transactions has been so thoroughly accepted as part and parcel of the business of the country that it would be impossible to think of its extinction unless there was a financial cataclysm. It is, therefore, essential to consider how debts should be collected from persons who are neglectful or unmindful of their obligations. Legally, it is the duty of a debtor to seek out his creditor and pay that which is owing. In practice, it is generally the creditor who has to seek out the debtor and compel him to fulfil his duty. The main object which is to be aimed at is the success of the operation of obtaining payment without destroying the business relationship which has previously existed, unless it is desired to do so, when summary methods may be adopted without the slightest qualms.

In trading transactions generally, if credit is to be given the parties ordinarily stipulate as to the extent of time over which the credit shall run. Business men who are honourable and prompt in their dealings, will make a special point of seeing that the limit of time is never exceeded. Punctuality in payment is one of the finest moral assets which an individual, a partnership, or a company can possess. If the due date of payment has passed, or a reasonable time has been allowed to elapse in case there has been no specified date for payment, a carefully worded reminder of the existence of the debt sent by the creditor will generally have the effect of arousing the honourable debtor, and will elicit some reply. Should this, however, fail altogether, a second application should be made after a reasonable period has gone by, and an intimation given that the account will be passed into other hands for recovery. If this second letter fails like the first, a solicitor should be instructed in the matter, and if his letter is unsuccessful in bringing about a satisfactory settlement, then proceedings must be taken in accordance with the methods pointed out in the article Debt.

Persons engaged in business, even though they may be careful and astute in other matters, are frequently unfortunate in their methods when the question concerned is the collection of outstanding debts. Repetitions of demands at short intervals are signs of a lack of firmness, and strongly worded protests, coupled with threats of proceedings—threats which are often never intended to be carried into execution—are regarded as empty noise. A debtor who is in no case in a hurry to fulfil his obligations pays not the slightest heed to what he looks upon as ineffective "bluff," and the angry creditor wastes time, money, and patience by lending himself to vain repetitions. When money matters are in dispute in business, the less said the better. If the demand is legitimate, it can be made firmly and without offence, and if the demand is then ineffectual the debtor cannot rightly complain if legal proceedings, with the necessary increase of expenditure in the way of costs, ensue.

DEBTS PROVABLE IN BANKRUPTCY.—(See PROOF OF DEBTS). Subject to certain exceptions, all debts and liabilities (as to meaning of this word, see below), present or future, certain or contingent, to which the debtor is subject at the date of the receiving order, or to which he may become subject before his discharge by reason of any obligation incurred before the date of the receiving order, are debts provable in bankruptcy. Demands in the nature of unliquidated damages arising otherwise

than by reason of a contract, promise, or breach of trust, are not, however, provable in bankruptcy; and a person having notice of any act of bankruptcy available against the debtor, cannot prove under the order for any debt or liability contracted by the debtor subsequently to the date of his so having notice. The trustee makes an estimate of the value of any provable debt or liability, which, by reason of its being subject to any contingency or contingencies, or for any other reason, does not bear a certain value. A person aggrieved by any estimate made by the trustee may appeal to the court. If the court is of opinion that the value of the debt or liability is incapable of being fairly estimated, the court may direct the value to be assessed, and may give all necessary directions for this purpose, and the amount of the value when assessed is deemed to be a debt provable in bankruptcy.

"Liability" includes any compensation for work or labour done, any obligation or possibility of an obligation to pay money or money's worth on the breach of any express or implied covenant, contract, agreement, or undertaking, whether the breach does or does not occur, or is or is not likely to occur, or capable of occurring, before the discharge of the debtor. It also includes any express or implied agreement, engagement, or undertaking to pay or capable of resulting in the payment of money, whether the payment is fixed or unliquidated, present or future, certain or dependent on any one contingency or on two or more contingencies as to mode of valuation, capable of being ascertained by fixed rules or as matter of opinion. A successful defendant may prove for costs in the bankruptcy of the plaintiff, although they may not have been taxed at the date of adjudication. A successful plaintiff may, however, only prove for costs in the defendant's bankruptcy in cases where the debt or claim in respect of which the costs are recoverable is itself provable. A person entitled to be paid an annuity may prove for it in the bankruptcy of the person who pays it.

Enough has been said to show that a mere claim for damages for a tort (*q.v.*) is not the subject of proof in bankruptcy. For instance, if a man has a claim for damages for personal injuries, he cannot prove in the bankruptcy. It is otherwise if damages are agreed before the bankruptcy, or if judgment in an action for tort is signed before the bankruptcy.

A wife who has lent money or estate to her husband for the purposes of his trade or business can only prove for such money after, but not before, all claims of other creditors of the husband for valuable consideration in money or money's worth have been satisfied. Debts founded on felony cannot be proved for, unless the creditor has taken the necessary steps to have the offender punished. Again, a debt which is founded on an illegal consideration, such as a gaming debt, cannot be proved. Where a balance resulting from gambling transactions on the Stock Exchange cannot be recovered (as there is no consideration), no proof can be admitted in respect of non-delivery. The following debts cannot be proved in bankruptcy: Future payments of alimony; debts barred by the Statute of Limitations; and an infant's debts, incurred before he reaches the age of twenty-one, unless they are for necessities. With regard to interest on debts, if there is a surplus after the payment of other debts, interest can be proved

for; but interest accruing after the date of the receiving order may not, as a general rule, be proved for. The successful petitioner in a divorce action may prove for the damages recovered.

With regard to judgment debts, it might be thought that they must of necessity prove themselves; but this is not so. A man who wanted to defraud his creditors, might allow bogus judgments to be entered up against him. The Court of Bankruptcy, therefore, has power to inquire whether a judgment debt is justly due.

The person proving the debt must, as a general rule, be the person to whom the debtor owes the money; but an executor or administrator may prove for the debts due to the estate of his testator.

A person who is under a contingent liability may prove in respect of the contingency. So if the bankrupt is under covenant or agreement with any person to indemnify him at some future time, which may be quite indefinite, that person may prove in respect of that future liability. For instance, if a man takes an assignment of a lease under a covenant with the lessee to indemnify him from the consequences of the assignment, liability under this covenant is a contingent liability which may be proved for. The holder of a bill of exchange may prove his debt in the bankruptcies of all the prior parties to the bill, and may receive a dividend from each upon the whole debt, provided he does not, in the whole, receive more than 20s. in the £. As to an accommodation acceptance, if one party only is bankrupt, the solvent party may prove against the debtor's estate for the amount, if any, for which he could have sued the bankrupt if the latter had remained solvent. In other words, he can prove for the amount which he has paid for the bankrupt's accommodation.

DECALITRO.—(See FOREIGN WEIGHTS AND MEASURES—ITALY.)

DECAMETRO.—(See FOREIGN WEIGHTS AND MEASURES—ITALY.)

DECEASED INSOLVENT DEBTOR.—Where a debtor dies insolvent, any creditor who might have presented a bankruptcy petition against him had he been alive, may petition the court for an administration order, under which the estate will be dealt with as in bankruptcy. The petition is served on each executor who has proved the will, or on any person who has taken out letters of administration. Upon notice being given to the legal personal representative of the deceased debtor, the court may make an order on proof of the creditor's debt, unless it is satisfied that the estate will probably be sufficient for payment of the debts. Such a petition cannot, however, be presented if an administration action has been commenced; but in that case, if the estate is insolvent, the proceedings are generally transferred to the bankruptcy court. Administration of the estate of a deceased insolvent debtor is carried out practically in the same manner as the administration of a bankrupt's estate. Upon the order being made, the debtor's property vests in the official receiver as trustee. His duty is to realise and distribute the estate. The creditors may appoint a trustee and a committee of inspection. Funeral and testamentary expenses are paid in full in priority to all other debts. Any surplus remaining after payment of debts in full, the costs of the administration, and interest, is paid over to the legal personal representative. It should be mentioned that notice to the legal personal representative of a deceased

debtor of the presentation of a petition for administration is equivalent to notice of an act of bankruptcy. When the value of the estate of the deceased is not likely to exceed £300, it may be administered summarily. See Sections 129 and 130 of the Bankruptcy Act, 1914. This means an enormous saving of expense.

DECEIT.—This is the name of an action at law by civil process, by which a person seeks to recover damages for false statements made by one party in respect of another party, when, through such false statements, the first person has suffered in a pecuniary sense. Thus, A opens negotiations of a business character with B, but before coming to terms he inquires of B's standing from a third person C. C gives a favourable answer, and A is satisfied. Business results, and A suffers a heavy loss. Can he make C responsible for that loss? Under certain conditions he undoubtedly can do so. But in his character as plaintiff A must prove certain things. First, he must show that the statements of C were false; secondly, that they were made fraudulently, i.e., that C made them recklessly, not caring whether they were true or not, even if it cannot be asserted that they were made with a distinct fraudulent intent; thirdly, that the statements made were the direct cause of A's entering into the transaction with B, which resulted in the damage sustained; fourthly, that the representations of C were made in writing. This last requisite is all important, and yet it frequently happens that persons are satisfied with verbal assurances. If a verbal assurance alone has been given, there is no right of action. This is specially provided for by an Act of 1828—commonly known as Lord Tenterden's Act—under which it is provided that no one who has made any representation as to the conduct, character, credit, ability, etc., of another, in order to induce people to trust him, shall be liable to an action for deceit or false representation, unless his statement is in writing and signed by him.

DECIGRAMMA.—(See FOREIGN WEIGHTS AND MEASURES—ITALY.)

DECILITRO.—(See FOREIGN WEIGHTS AND MEASURES—ITALY.)

DECIMAL COINAGE.—A system of coinage under which the divisions are in tens or multiples of tens. The decimal coinage, as it works in other countries, is fully shown in the article **METRIC SYSTEM**. A decimal coinage has been suggested for England. The sovereign would, under it, be still the unit of value. The divisions of the £ would be into 10 florins, each florin being divided into 10 cents, and each cent into 10 mils. Thus, the florin would be one-tenth of a £, the cent one-hundredth of a £ (about 2½d), and the mil one-thousandth of a £ (about ¼d).

DECIMAL SYSTEM.—This is the system of weights and measures, and also of coinage, under which the calculations connected with the same are made by decimal divisions, or tenths. The system has now become the one in use in most of the continental countries of Europe, and also in the United States of America. There is no doubt that its claim to simplicity is most thoroughly justified, although it is admitted that there is a drawback in this respect, that the number 10 is not divisible by either 3 or 4 without the introduction of fractions. But, in spite of this, it is extremely probable that, sooner or later, the decimal system will be the only one in use in civilised countries.

The most perfect example of the system is to be found in France, though the same principle obtains, as far as the coinage is concerned, in Belgium, Italy, Portugal, Spain, and the United States of America. In the French measures of length, the Greek words *deca*, *hecto*, *kilo*, and *myria* are prefixed to the higher denominations, the unit being the metre of 39.37 English inches. The lower denominations are marked by the Latin words *deci*, *centi*, and *milli*. In money, the *franc* is the unit, a *décime* is the tenth part of a franc, and a *centime* the hundredth part. The coinage of the United States of America, which was made decimal in 1786, consists of the *eagle*, of 10 dollars, the *dollar*, of 10 dimes, and the *dime*, of 10 cents, but, of these denominations, *dollars* and *cents* are the only ones commonly used.

Many attempts have been made to introduce a decimal coinage into this country, but so far without success, and the most recent reports have not been altogether favourable. A Royal Commission appointed to consider the matter issued their report in the latter part of the year 1919. No legislation was recommended, and the document itself was of a very neutral type. The Decimal Association, which has for its object the promotion of the adoption of a decimal system of coinage and of metric weights and measures, has its headquarters at 229-231 Finsbury Pavement House, Finsbury Pavement, London, E.C.2, and all particulars as to the work of the Association may be obtained from the secretary. The decimal system is now legally recognised in twenty-nine states, with a population numbering nearly one-half of the people of the globe.

DECIMETRO.—(See FOREIGN WEIGHTS AND MEASURES, ITALY.)

DECK CARGO.—If a ship, British or foreign, arrives between the last day of October and the 16th day of April at any port in the United Kingdom from any port out of the United Kingdom, carrying any light goods or wood as deck cargo (except under certain conditions), the master and owner is liable to a fine of £5 for every 150 cub. ft. of space in which wood goods are carried. Heavy wood goods may be carried as deck cargo on the following conditions: (a) They must only be carried in covered spaces; and (b) they must only be carried in such class of ships as may be approved by the Board of Trade for the purpose; and (c) they must be loaded in accordance with regulations made by the Board of Trade with respect to the loading thereof. Light wood goods may be carried as deck cargo on the following conditions: (a) Each unit of the goods must be of a cubic capacity not greater than 15 cub. ft.; and (b) the height above the deck to which the goods are carried must not exceed—(1) in the case of an uncovered space on a deck forming the top of a deck, poop, or other permanent closed-in space on the upper deck, 3 ft. above the top of that closed-in space; and (2) in the case of an uncovered space, not being a space forming the top of any permanent closed-in space on the upper deck or a space forming the top of a covered space, the height of the main rail, bulwark, or plating, or one-fourth of the inside breadth of the ship, or 7 ft., which height is the least; and (3) in the case of a covered space the full height of that space. Regulations may be made by the Board of Trade for the protection of seamen from any risk arising from the carriage of the goods in any uncovered space to the height allowed under the above provisions, and those regulations must be complied with on the ship. The expression

"heavy wood goods" means: (1) Any square, round, wavy, or other timber, or any pitch pine, mahogany, oak, teak, or other heavy wood goods whatever; or (2) any more than five spare spars or store spars, whether or not made, dressed, and finally prepared for use, and the expression "light wood goods" means any deals, battens, or other light wood goods of any description. The expression "deck cargo" means any cargo carried either in any uncovered space upon deck or in any covered space not included in the cubical contents forming the ship's registered tonnage. The space in which wood goods are carried is to be deemed to be the space limited by the superficial area occupied by the goods and by straight lines enclosing a rectangular space sufficient to include the goods.

DECLARATION.—The old name, under the ancient procedure, of what is now known as the Statement of Claim. Since the Judicature Acts, 1873 and 1875, the word has gone out of use, except at the Mayor's Court where the former practice of the High Court remains in vogue.

DECLARATION OF ASSOCIATION.—This is the name of the last clause in the memorandum of association (*g.v.*) of a company limited by shares, whereby the subscribers declare their desire to be formed into a company and agree to take shares. The clause is followed by a tabular form in which the names, addresses, and descriptions of the subscribers, and the number of shares taken by each, appear.

DECLARATION OF LONDON.—The Convention for the establishment of an International Court of Appeal in matters of prize, which formed an appendix to the Final Act of the Second Peace Conference at the Hague, provided that, in the absence of treaty stipulations applicable to the case, the court is to decide the appeals that come before it, in accordance with the rules of international law, or if no generally recognised rules exist, in accordance with the general principles of justice and equity. The discussions which took place at the Hague during the Conference showed that on various questions connected with maritime war divergent views and practices prevailed among the nations of the world. Upon some of these subjects an agreement was reached, but on others it was not found possible, within the period for which the Conference assembled, to arrive at an understanding. The impression was gained that the establishment of the International Prize Court would not meet with general acceptance so long as vagueness and uncertainty existed as to the principles which the Court, in dealing with appeals brought before it, would apply to questions of far-reaching importance affecting naval policy and practice. The British Government, therefore, proposed that another Conference should assemble, with the object of arriving at an agreement as to what are the generally recognised principles of international law, as to those matters wherein the practice of nations has varied, and of then formulating the rules which, in the absence of special treaty provisions applicable to a particular case, the court should observe in dealing with appeals brought before it for decision. The rules by which appeals from national prize courts would be decided affected the rights of belligerents in a manner which was far more serious to the principal naval Powers than to others, and the British Government, therefore, communicated only with the Governments of Austria-Hungary, France, Germany, Italy, Japan, Russia, Spain, and the United States of

America. With the concurrence of all the Powers invited to the Conference, the invitation was subsequently extended to the Netherlands Government. The questions upon which the British Government considered it to be of the greatest importance that an understanding should be reached were those as to which divergent rules and principles have been enforced in the Prize Courts of different nations. It, therefore, suggested that the following questions should constitute the programme of the Conference:

(a) Contraband, including the circumstances under which particular articles can be considered as contraband; the penalties for their carriage; the immunity of a ship from search when under convoy; and the rules with regard to compensation where vessels have been seized, but have been found, in fact, only to be carrying innocent cargo.

(b) Blockade, including the questions as to the locality where seizure can be effected, and the notice that is necessary before a ship can be seized.

(c) The doctrine of continuous voyage in respect both of contraband and of blockade.

(d) The legality of the destruction of neutral vessels prior to their condemnation by a prize court.

(e) The rules as to neutral ships or persons rendering "unneutral service."

(f) The legality of the conversion of a merchant-vessel into a warship on the high seas.

(g) The rules as to the transfer of merchant-vessels from a belligerent to a neutral flag during or in contemplation of hostilities.

(h) The question whether the nationality or the domicile of the owner should be adopted as the dominant factor in deciding whether property is enemy property.

These questions were discussed at the Naval Conference held in London from December, 1908, to February, 1909, and the result was the drawing up of "The Declaration of London."

Blockade. The Declaration provides that a blockade must not extend beyond the ports and coasts belonging to or occupied by the enemy. In accordance with the Declaration of Paris of 1856, "a blockade, in order to be binding, must be effective, that is to say, it must be maintained by a force sufficient really to prevent access to the enemy's coastline." The question whether a blockade is effective is a question of fact. A blockade is not regarded as raised if the blockading force is temporarily withdrawn on account of stress of weather. A blockade must be applied impartially to the ships of all nations. The commander of a blockading force may give permission to a warship to enter, and subsequently to leave, a blockaded port. In circumstances of distress, acknowledged by an officer of the blockading force, a neutral vessel may enter a place under blockade and subsequently leave it, provided that she has neither discharged nor shipped any cargo there. A blockade, in order to be binding, must be declared and notified. A declaration of blockade is made either by the blockading Power or by the naval authorities acting in its name. It specifies:

(1) The date when the blockade begins; (2) the geographical limits of the coastline under blockade; (3) the period within which neutral vessels may come out. A declaration of blockade is notified: (1) To neutral Powers, by the blockading Power by means of a communication addressed to the governments direct, or to their representatives accredited to it; (2) to the local authorities, by the officer commanding the blockading force. The liability of a

neutral vessel to capture for breach of blockade is contingent on her knowledge, actual or presumptive, of the blockade. Failing proof to the contrary, knowledge of the blockade is presumed if the vessel left a neutral port subsequently to the notification of the blockade to the Power to which such port belongs, provided that such notification was made in sufficient time. If a vessel approaching a blockaded port has no knowledge, actual or presumptive, of the blockade, the notification must be made to the vessel itself by an officer of one of the ships of the blockading force. This notification should be entered in the vessel's log-book, and must state the day and hour, and the geographical position of the vessel at the time. Neutral vessels may not be captured for breach of blockade, except within the area of operations of the warships detailed to render the blockade effective. The blockading forces must not bar access to neutral ports or coasts. Whatever may be the ulterior destination of a vessel or of her cargo, she cannot be captured for breach of blockade, if, at the moment, she is on her way to a non-blockaded port. A vessel which has broken blockade outwards, or which has attempted to break blockade inwards, is liable to capture so long as she is pursued by a ship of the blockading force. If the pursuit is abandoned, or if the blockade is raised, her capture can no longer be effected. A vessel found guilty of breach of blockade is liable to condemnation. The cargo is also condemned, unless it is proved that at the time of the shipment of the goods the shipper neither knew nor could have known of the intention to break the blockade.

Contraband of War. *Absolute Contraband.* The following articles may, without notice, be treated as contraband of war, under the name of absolute contraband: (1) Arms of all kinds, including arms for sporting purposes, and their distinctive component parts; (2) Projectiles, charges, and cartridges of all kinds, and their distinctive component parts; (3) Powder explosives specially prepared for use in war; (4) Gun-mountings, lumber boxes, ladders, military wagons, field forges, and their distinctive component parts; (5) Clothing and equipment of a distinctively military character; (6) All kinds of harness of a distinctively military character; (7) Saddle, draught, and pack animals suitable for use in war; (8) Articles of camp equipment, and their distinctive component parts; (9) Armour plates; (10) Warships, including boats, and their distinctive component parts, of such a nature that they can only be used on a vessel of war; (11) Implements and apparatus designed exclusively for the manufacture of munitions of war, for the manufacture or repair of arms, or war material for use on land and sea. Articles exclusively used for war may be added to the list of absolute contraband by a declaration, which must be notified. Such notification must be addressed to the Governments of other Powers, or to their representatives accredited to the Power making the declaration. A notification made after the outbreak of hostilities is addressed only to neutral Powers.

Conditional Contraband. The following articles susceptible of use in war, as well as for purposes of peace, may, without notice, be treated as contraband of war, under the name of conditional contraband: (1) Food-stuffs; (2) Forage and grain, suitable for feeding animals; (3) Clothing, fabrics for clothing, and boots and shoes, suitable for use in war; (4) Gold and silver in coin or bullion; paper money; (5) Vehicles of all kinds available for use

in war, and their component parts. (6) Vessels, craft, and boats of all kinds, floating docks, parts of docks, and their component parts. (7) Railway material, both fixed and rolling stock, and material for telegraphs, such as telegraphs, and telephones. (8) Balloons and flying machines and their distinctive component parts, together with accessories and articles recognisable as intended for use in connection with balloons and flying machines. (9) Fuel, lubricants. (10) Powder and explosives not specially prepared for use in war. (11) Barbed wire and implements for fixing and cutting the same. (12) Horse shoes and shoeing materials. (13) Harness and saddlery. (14) Field glasses, telescopes, chronometers, and all kinds of nautical instruments. Articles susceptible of use in war, as well as for purposes of peace, may be added to the list of conditional contraband by a declaration which must be notified. If a Power waives, so far as it is concerned, the right to treat as contraband of war an article comprised in the absolute contraband list or the conditional contraband list, such intention shall be announced by a declaration, which must be notified.

Not Contraband. Articles which are not susceptible of use in war may not be declared contraband of war. The following may not be declared contraband of war: (1) Raw cotton, wool, silk, jute, flax, hemp, and other raw materials of the textile industries, and yarns of the same. (2) Oil seeds and nuts, copra. (3) Rubber, resins, gums, and lacs; hops. (4) Raw hides and horns, bones, and ivory. (5) Natural and artificial manures, including nitrates and phosphates for agricultural purposes. (6) Metallic ores. (7) Earths, clays, lime, chalk, stone, including marble, bricks, slates, and tiles. (8) Chinaware and glass. (9) Paper and paper-making materials. (10) Soap, paint, and colours, including articles exclusively used in their manufacture, and varnish. (11) Bleaching powder, soda ash, caustic soda, salt cake, ammonia, sulphate of ammonia, and sulphate of copper. (12) Agricultural, mining, textile, and printing machinery. (13) Precious and semi-precious stones, pearls, mother-of-pearl, and coral. (14) Clocks and watches, other than chronometers. (15) Fashion and fancy goods. (16) Feathers of all kinds, hairs and bristles. (17) Articles of household furniture and decoration, office furniture and requisites.

Likewise the following may not be treated as contraband of war: (1) Articles serving exclusively to aid the sick and wounded. They can, however, in case of urgent military necessity and subject to the payment of compensation, be requisitioned, if their destination is to territory belonging to or occupied by the enemy, or to the armed forces of the enemy. Absolute contraband is liable to capture if it is shown to be destined to territory belonging to or occupied by the enemy, or to the armed forces of the enemy. It is immaterial whether the carriage of the goods is direct or entails trans-shipment or a subsequent transport by land. Proof of destination is complete in the following cases: (1) When the goods are documented for discharge in an enemy port, or for delivery to the armed forces of the enemy. (2) When the vessel is to call at enemy ports only, or when she is to touch at an enemy port or meet the armed forces of the enemy before reaching the neutral port for which the goods in question are documented. Where a vessel is carrying absolute contraband, her papers are conclusive proof as to the voyage on which she is engaged,

unless she is found clearly out of the course indicated by her papers, and unable to give adequate reasons to justify such deviation. Conditional contraband is liable to capture if it is shown to be destined for the use of the armed forces or of a government department of the enemy State, unless in this latter case the circumstances show that the goods cannot, in fact, be used for the purposes of the war in progress. The destination referred to is presumed to exist if the goods are consigned to enemy authorities, or to a contractor established in the enemy country who, as a matter of common knowledge, supplies articles of this kind to the enemy. A similar presumption arises if the goods are consigned to a fortified place belonging to the enemy, or other place serving as a base for the armed forces of the enemy. No such presumption, however, arises in the case of a merchant vessel bound for one of these places if it is sought to prove that she herself is contraband. In cases where the above presumptions do not arise, the destination is presumed to be innocent. The above-mentioned presumptions may be rebutted.

Conditional contraband is not liable to capture, except when found on board a vessel bound for territory belonging to or occupied by the enemy, or for the armed forces of the enemy, and when it is not to be discharged in an intervening neutral port. The ship's papers are conclusive proof both as to the voyage on which the vessel is engaged and as to the port of discharge of the goods, unless she is found clearly out of the course indicated by her papers, and unable to give adequate reasons to justify such deviation.

A vessel carrying goods liable to capture as absolute or conditional contraband may be captured on the high seas or in the territorial waters of the belligerents throughout the whole of her voyage, even if she is to touch at a port of call before reaching the hostile destination. A vessel may not be captured on the ground that she has carried contraband on a previous occasion, if such carriage is in point of fact at an end. Contraband goods are liable to condemnation. A vessel carrying contraband may be condemned if the contraband reckoned either by value, weight, volume, or freight, forms more than half the cargo. If a vessel carrying contraband is released, she may be condemned to pay the costs and expenses incurred by the captor in respect of the proceedings in the national prize court, and the custody of the ship and cargo during the proceedings. Goods which belong to the owner of the contraband and are on board the same vessel are liable to condemnation.

If a vessel is encountered at sea while unaware of the outbreak of hostilities or of the declaration of contraband which applies to her cargo, the contraband cannot be condemned except on payment of compensation; the vessel herself and the remainder of the cargo are not liable to condemnation or to the costs and expenses of the proceedings. The same rule applies if the master, after becoming aware of the outbreak of hostilities, or of the declaration of contraband, has had no opportunity of discharging the contraband. A vessel is deemed to be aware of the existence of a state of war, or of a declaration of contraband, if she left a neutral port subsequently to the notification to the Power to which such port belongs of the outbreak of hostilities or of the declaration of contraband respectively, provided that such notification was made in sufficient time. A vessel is also deemed to

be aware of the existence of a state of war if she left an enemy port after the outbreak of hostilities. A vessel which has been stopped on the ground that she is carrying contraband, and which is not liable to condemnation on account of the proportion of contraband on board, may, when the circumstances permit, be allowed to continue her voyage if the master is willing to hand over the contraband to the belligerent warship. The delivery of the contraband must be entered by the captor in the log-book of the vessel stopped, and the master must give the captor duly certified copies of all relevant papers. The captor is at liberty to destroy the contraband that has been handed over to him under these conditions.

Unneutral Service. A neutral vessel will be condemned and will, in a general way, receive the same treatment as a neutral vessel liable to condemnation for carriage of contraband: (1) If she is on a voyage specially undertaken with a view to the transport of individual passengers who are embodied in the armed forces of the enemy, or with a view to the transmission of intelligence in the interest of the enemy. (2) If, to the knowledge of either the owner, the charterer, or the master, she is transporting a military detachment of the enemy, or one or more persons who, in the course of the voyage, directly assist the operations of the enemy. In the cases specified under the above heads, goods belonging to the owner of the vessel are likewise liable to condemnation. These provisions do not apply if the vessel is encountered at sea while unaware of the outbreak of hostilities, or if the master, after becoming aware of the outbreak of hostilities, has had no opportunity of disembarking the passengers.

Any individual embodied in the armed forces of the enemy, who is found on board a neutral merchant vessel, may be made a prisoner of war, even though there be no ground for the capture of the vessel.

Destruction of Neutral Prizes. A neutral vessel which has been captured may not be destroyed by the captor; she must be taken into such port as is proper for the determination there of all questions concerning the validity of capture. As an exception, a neutral vessel which has been captured by a belligerent warship, and which would be liable to condemnation, may be destroyed if the taking of the vessel into port would involve danger to the safety of the warship or to the success of the operations in which she is engaged at the time. Before the vessel is destroyed all persons on board must be placed in safety, and all the ship's papers and other documents which the parties interested consider relevant for the purpose of deciding on the validity of the capture, must be taken on board the warship. A captor who has destroyed a neutral vessel must, prior to any discussion respecting the validity of the prize, establish that he only acted in the face of an exceptional necessity of the nature above-mentioned. If he fails to do this, he must compensate the parties interested, and no examination shall be made of the question whether the capture was valid or not. If the capture of a neutral vessel is subsequently held to be invalid, though the act of destruction has been held to have been justifiable, the captor must pay compensation to the parties interested, in place of the restitution to which they would have been entitled. If neutral goods not liable to condemnation have been destroyed with the vessel, the owner of such goods

is entitled to compensation. The captor has the right to demand the handing over of, or to proceed himself to the destruction of, any goods liable to condemnation found on board a vessel not herself liable to condemnation, provided that the circumstances are such as would justify the destruction of a vessel herself liable to condemnation. The captor must enter the goods surrendered or destroyed in the log-book of the vessel stopped, and must obtain duly certified copies of all relevant papers. When the goods have been handed over or destroyed, and the formalities duly carried out, the master must be allowed to continue his voyage.

Transfer to a Neutral Flag. The transfer of an enemy vessel to a neutral flag, effected before the outbreak of hostilities, is valid, unless it is proved that such transfer was made in order to evade the consequences to which an enemy vessel, as such, is exposed. There is, however, a presumption, if the bill of sale is not on board a vessel which has lost her belligerent nationality less than sixty days before the outbreak of hostilities, that the transfer is void. This presumption may be rebutted. Where the transfer was effected more than thirty days before the outbreak of hostilities, there is an absolute presumption that it is valid if it is unconditional, complete, and in conformity with the laws of the countries concerned, and if its effect is such that neither the control of, nor the profits arising from the employment of, the vessel remain in the same hands as before the transfer. If, however, the vessel lost her belligerent nationality less than sixty days before the outbreak of hostilities, and if the bill of sale is not on board, the capture of the vessel gives no right to damages. The transfer of an enemy vessel to a neutral flag, effected after the outbreak of hostilities, is void unless it is proved that such transfer was not made in order to evade the consequences to which an enemy vessel, as such, is exposed. There is, however, an absolute presumption that a transfer is void—(1) if the transfer has been made during a voyage or in a blockaded port; (2) if a right to re-purchase or recover the vessel is reserved to the vendor; (3) if the requirements of the municipal law governing the right to fly the flag under which the vessel is sailing, have not been fulfilled.

Enemy Character. Subject to the provisions respecting transfer to another flag, the neutral or enemy character of a vessel is determined by the flag which she is entitled to fly. The case where a neutral vessel is engaged in a trade which is closed in time of peace remains outside the scope of, and is in no wise affected by, this rule. The neutral or enemy character of goods found on board an enemy vessel is determined by the neutral or enemy character of the owner. In the absence of proof of the neutral character of goods found on board an enemy vessel, they are presumed to be enemy goods. Enemy goods on board an enemy vessel retain their enemy character until they reach their destination, notwithstanding any transfer effected after the outbreak of hostilities while the goods are being forwarded. If, however, prior to the capture, a former neutral owner exercises, on the bankruptcy of an existing enemy owner, a recognised legal right to recover the goods, they regain their neutral character. Neutral vessels under national convoy are exempt from search. The commander of a convoy gives, in writing, at the request of the commander of a belligerent warship, all information

as to the character of the vessels and their cargoes, which could be obtained by search. If the commander of the belligerent warship has reason to suspect that the confidence of the commander of the convoy has been abused, he communicates his suspicions to him. In such a case it is for the commander of the convoy alone to investigate the matter. He must record the result of such investigation in a report, of which a copy is handed to the officer of the warship. If, in the opinion of the commander of the convoy, the facts shown in the report justify the capture of one or more vessels, the protection of the convoy must be withdrawn from such vessels.

Resistance to Search. Forcible resistance to the legitimate exercise of the right of stoppage, search and capture, involves in all cases the condemnation of the vessel. The cargo is liable to the same treatment as the cargo of an enemy vessel. Goods belonging to the master, or owner of the vessel, are treated as enemy goods.

Compensation. If the capture of a vessel or of goods is not upheld by the prize court, or if the prize is released without any judgment being given, the parties interested have the right to compensation, unless there were good reasons for capturing the vessel or goods.

The one subject of the programme which found no mention in the Declaration was the conversion of merchant-vessels into men-of-war on the high seas. The question was one of those which had been left unsolved by the second Peace Conference, and so decided was the division of opinion subsequently revealed by the memoranda exchanged by the several governments before the meeting of the Naval Conference, that it was found impossible to state, in the shape even of a mere basis of discussion, an underlying general principle commonly accepted.

The Declaration of London never received the formal adhesion of the Powers represented; and in Great Britain, although accepted by the House of Commons, it was utterly rejected by the House of Lords. Whether it will ever be revived is difficult to prognosticate, as the impracticability of many of its provisions was manifested during the Great War of 1914-18. In the early stages of the war the Allies, with Great Britain at their head, showed a strong disposition to act in accordance with the Declaration in the conduct of naval warfare. Various circumstances, including more particularly the total disregard of all the main principles of International Law by Germany and her confederates, rendered it necessary to drop one by one the clauses of the Declaration, and for the time being the whole of it became a dead letter. The Declaration is, therefore, at present nothing more than a historical curiosity.

DECLARATION ON REGISTRATION OF COMPANY.—(See REGISTRATION OF COMPANY.)

DECLARATION, STATUTORY.—(See STATUTORY DECLARATION.)

DECODE.—To decode a message means to translate the code words in which it is written into the words or figures which they represent. (See CODE.)

DEED.—A deed is a written document under seal which contains the terms, and is evidence of a legal transaction. Printing or engraving, or photography, or any other mode of reproducing visible words, is equivalent to writing, but the writing must be on parchment, vellum, or paper. A deed cannot be written on wood or stone, or

metal. A deed may be in any language, and may be written with ink, paint, or pencil. There are two kinds of deeds, viz., deeds poll and indentures. A deed poll is one made by one party only, and is an expression of intention. It is so-called because the old practice was to write such a deed on parchment or paper with an even edge at the top. A familiar example is a deed by which a man formally records his intention to change his name. An indenture is a deed to which two or more persons are parties, and which evidences some agreement between them other than their mere concurrence in expressing or declaring an intention. Such a deed is a contract (*q.v.*), and is sometimes called a contract under seal, a specialty contract, or a formal contract. The name is derived from the parchment on which such a deed was written being cut at the top with a waving or indented line; the practice of indenting is now falling into disuse, and is no longer legally necessary to the validity of the deed.

A deed must be sealed by the party intending to be bound thereby. He may either affix his own seal, or stick on a wafer, or adopt as his own a seal already affixed to or printed on the document. But it is now clearly established that if there is anything which purports to be a seal, that will suffice for the purpose and the wax or the wafer is no longer essential. The circle with the letters L.S. enclosed, so often met with in legal documents, is not in itself sufficient. (See SEAL.) In practice the seal is put on the document before it is executed, and the party figuratively seals by touching it. In order to be operative, the deed must also be "delivered" by the party, which is usually done by his saying, when he seals: "I deliver this as my act and deed." If the deed is actually handed over to the possession or custody of the person intended to be benefited thereby, or to someone on his behalf, that is delivery. If it is intended to postpone the operation of the deed until some condition has been performed, it may be so stated by the executing party; the deed is then called an "escrow," and has no effect until the condition is performed, but on that being done it takes effect as a deed.

The signature of the party is not essentially necessary to the validity of a deed, but in practice a person executing a deed invariably signs his name opposite his seal, partly as an acknowledgment that the seal is his, and partly as evidence that the deed is executed by him. The sealing and signature is done in the presence of a witness or witnesses, who add their names, addresses, and descriptions. Attestation, however, is only for the purpose of identification in case the execution by the party should ever be called in question. In some special cases, however, a deed is required to be signed and sealed in the presence of a certain number of witnesses. For instance, deeds executed by companies often require special signatures in addition to the seal; bills of sale (*q.v.*) must be executed with certain formalities; and transfers of shares in ships, of registered land, and certain bonds, must comply with the provisions as to execution of the particular Acts of Parliament relating to such matters.

A deed is necessary for certain classes of transactions, either at common law or by statute. Thus, a gratuitous promise must be made by deed in order to be legally enforceable; an appointment of a guardian of children by a father or mother must be made by deed or will; and most conveyances of land, and such documents as mortgages and

leases, must be made by deed. Deeds, too, are invariably used in many other dealings with either land or chattels, since the effect of executing a deed is that the party is conclusively bound thereby. He cannot, save he can clearly establish mistake, fraud, misrepresentation, duress, illegality, or incapacity, deny the deed, or set up that he did not intend what the deed on its true construction avers or purports to perform.

A contract made by deed is superior to other contracts in the following other respects: (1) No consideration (*q.v.*) is required, except that in the one case of a contract in restraint of trade a valuable consideration is necessary to support it, whether it be made by deed or by parol; but if the consideration for a promise is illegal, the contract is void whether made under seal or not; (2) there is no need for the promisee to expressly assent thereto, or, in other words, to accept the offer made to him (see Offer and Acceptance, under CONTRACT); (3) if a simple contract and a deed both relate to the same matter and are made between the same parties, the remedy on the former is merged in and extinguished by the superior remedy under the deed; (4) the right of action on a deed may be enforced within twenty years, whereas under a simple contract the period is generally only six years. In most other respects the rules of law applicable to contracts made otherwise than by deed are applicable to those so made. (See CONTRACT.)

Technical terms are used to describe the various parts of a deed. The chief of these are *Recitals*, which state the facts on which the making of the deed is based; the *Testatum*, which contains the operative words expressing the intention of the parties; the *Parcels*, which is descriptive of the property affected by the deed; the *Habendum*, which defines the estate or interest to be taken in that property by force of the deed; the *Reddendum*, which in leases states the rent; and the *Testimonium*, which concludes the document, and states that the parties have executed it in furtherance of the matters stated therein. In addition, deeds of a particular nature have special clauses peculiar to them, such as a proviso for redemption in a mortgage, a power of re-entry in a lease, and various trusts and powers in settlements and many other deeds.

A material alteration made in a deed after execution without the consent of the party or parties bound thereby renders the deed void, but an immaterial alteration does not affect its validity. A promise made by deed is called a covenant. All deeds must bear a revenue stamp, the amount of which varies with the nature of the deed or the value of the property conveyed or affected thereby; these stamps are prescribed by various Stamp and Revenue Acts, but if no special amount is fixed the deed must be impressed with a ten shilling stamp. (See also AGREEMENTS and CONTRACT.)

DEED OF ARRANGEMENT.—From the point of view both of creditor and of debtor, experience has shown that it is better for all parties to avoid bankruptcy when the debtor is in difficulties. If the creditors can agree amongst themselves upon an arrangement by which the debtor's property is handed over to a trustee, and the debtor is allowed to continue his business, the creditors probably gain in the long run. These objects are attained by causing the debtor to enter into what is known as "a deed of arrangement."

"Deeds of Arrangement" may conveniently be dealt with under the following heads: (a) Nature and object of deed; (b) steps to be taken for making a deed; (c) form and registration; (d) duties of trustee; (e) avoidance of a deed.

(a) **Nature and Object of a Deed.** The term "Deed of Arrangement" includes certain instruments made by a debtor for the benefit of his creditors generally, that is to say: (1) An assignment of property; (2) a deed of, or agreement for, a composition; and, in cases where creditors of a debtor obtain any control over his property or business—(3) a deed of inspectorship entered into for the purpose of carrying on or winding up a business; (4) a letter of licence authorising the debtor or any other person to manage, carry on, realise, or dispose of a business with a view to the payment of debts; and (5) any agreement for carrying on or winding up the debtor's business, or authorising him or any other person to manage, carry on, realise, or dispose of that business with a view to the payment of his debts. Under a deed of composition, creditors agree to realise and discharge a debtor in consideration of receiving a composition payable at a stated time or in instalments, the creditors further covenanting not to sue the debtor unless and until he make default in the terms of the arrangement. Under a "deed of assignment," a debtor assigns his property to a trustee in trust to realise the same, and after payment of the expenses, to distribute the balance *pari passu* amongst the assenting creditors, who, in consideration of (1) the assignment and (2) the dividends received (if any), mutually forbear in respect of, and release the debtor from, the debts owing to them.

An advantage of a deed of arrangement is the absence of official interference in the administration of the estate and the conduct of the bankrupt's business.

(b) **Steps to be Taken for Making a Deed.** A debtor who desires to make a deed of arrangement calls his creditors together. By doing so, of course, he commits an act of bankruptcy (see ACTS OF BANKRUPTCY); but as the assignment itself is an act of bankruptcy, this will not be matter of great importance. An accountant is generally asked to act as trustee under the deed. At the meeting, the creditors decide whether the deed shall be accepted or not; and in order that the transaction may be declared good, the trustee should pay attention to the following points—

(1) The creditors must be treated equally, that is to say, no creditor must get any advantage.

(2) A full disclosure should be made of the debtor's affairs.

(3) The amount of the assets should not, on any account, be overstated. If the assets are misrepresented, the assenting creditors are not bound.

(4) The trustee should obtain the special assent of the creditors to a clause in the deed enabling him to settle the claims of dissentient creditors.

(c) **Form and Registration.** The debtor, one or more trustees, and the creditors are made parties; and the deed is usually expressed as being "for the benefit of such creditors as shall elect to execute the same." Sometimes a clause is inserted specifying the time within which the creditors must come in, if they intend to come in at all. The deed usually assigns to the trustee all the debtor's property, except household articles and wearing apparel. He receives it on trust, it may be to sell, and to apply

the proceeds in manner provided by the deed. It is well to exclude leasehold property subject to onerous covenants, and shares upon which there is a liability for calls. The trustee is given power (a) to realise the estate and apply the proceeds as may be decided upon; (b) to pay the expenses of calling the meeting and preparing the deed; (c) to pay his own remuneration, which may be a fixed sum, a percentage on the assets realised, or the ordinary accountant's charges; (d) to pay all preferential claims as are payable under the rules in bankruptcy; (e) to pay to the creditors dividends upon the amount of their debts; (f) to hand over the surplus, if any, to the bankrupt. Sometimes a clause is added to indemnify the trustee in case of bankruptcy supervening. The deed also contains clauses reserving the rights of any secured creditors against their sureties. Were a creditor to assent without such a clause, he might release his surety. Finally, the deed should contain a clause by which all the creditors who take benefits under the deed give the debtor a release of their debts, or enter into a covenant not to sue for those debts. In order to give persons dealing with traders notice of any arrangement with creditors, the Deed of Assignment Act, 1914, provides that every deed must be registered within seven days after the first execution thereof by the debtor or any creditor, otherwise it is void. A copy of the deed, and every schedule thereto annexed, must be filed, together with an affidavit verifying the time of execution the place of business of the debtor, the total amount of the property and liabilities included under the deed, the amount of the composition payable, and the names and addresses of his creditors. A deed will not be registered unless it is stamped. Creditors may execute the deed subsequent to registration. The register is open to the public inspection.

(d) **Duties of Trustee.** The accountant who represents the largest creditor is generally made trustee under the deed. If he honestly exercises his discretion, he incurs no responsibility. He can consult the committee of inspection, if there is one, or call a meeting of the creditors. If he has to bring an action, he has a charge on the estate for the costs, but if the estate is small he should get an indemnity from the creditors. Where debts are due to the estate he may collect them, and may sue for them in his own name, but until the deed has ceased to be available as an act of bankruptcy (*i.e.*, until after it has been executed for three months) the trustee cannot give a debtor to the estate a valid discharge, and the debtor might have to pay twice over. A trustee generally keeps a sum of money in hand to meet unexpected liabilities. The trustee must account for all moneys received by him, and must give information to any creditor as to all moneys received and paid away by him. He may even have to account after he has been removed from the office of trustee, and may also have to account to the Board of Trade.

(e) **Avoidance of a Deed.** If an assignment is made to enable the debtor to retain some property for his own benefit, although it is said to be for the benefit of the creditors, it may be avoided at any time as a fraud; but an assignment for the benefit of creditors is not void because it happens to benefit the debtor. It has already been shown that a deed may be avoided if it is an act of bankruptcy. It is also important to note that an assignment which is voluntary may be withdrawn by the debtor at any time before it is assented to by some of the creditors.

The assent of a creditor should, therefore, be secured without delay. A deed drawn in the form above described would be an act of bankruptcy; but if all the creditors were included there would be no one to impeach it. Again, a deed of assignment can only be impeached under the Bankruptcy Act within three months of its execution. A creditor cannot be said to have acquiesced in a deed merely because he was present at the meeting at which it was discussed, but a dissentient creditor, whose debt exceeds £50, can present a petition at any time within three months of a deed, or two or more creditors can combine for this purpose. Where a debtor is made bankrupt after the execution of a deed of assignment, all creditors may prove for their debts, even though they have been released by the deed. The trustee in bankruptcy then becomes entitled to all the property the debtor was possessed of at the date of the act of bankruptcy on which the receiving order was made. The official receiver, who becomes entitled to the debtor's property when the receiving order is made, must decide whether he will treat the trustee under the deed as a trespasser or as his agent. If he treats him as a trespasser (which, in practice, he only does where there has been misconduct) the trustee must hand over all property unconverted, and account for and pay the value of all that which has been converted. It is then that his indemnity from the creditors will come in useful. Where the official receiver treats him as his agent, the trustee must render accounts, including accounts of the debtor's business if he has carried it on. The trustee cannot retain his remuneration or any sum to cover such costs and expenses as he incurred with knowledge of an act of bankruptcy. Nor is he entitled to costs which he has incurred in employing solicitors to draw up the deed of arrangement. Where, however, he has incurred expenses which have resulted in a benefit to the estate, he will be allowed to retain them. The trustee must, however, be very strict in this matter of adopting services and paying for them, and he must go through the items of the bill of costs, and only pay for such items as he is clearly satisfied have been incurred in such a way as that a benefit to the extent of the charge has resulted to the creditors.

DEED OF ASSIGNMENT.—A deed by which an insolvent debtor gives up the whole of his property for the benefit of his creditors, to be realised, as far as possible, in satisfaction of their claims upon his estate.

DEED OF GIFT.—A gift is both the thing given and the act of giving; in the latter connection it means the voluntary and gratuitous transfer of any property by the true owner or possessor to another, with the intention that that other shall receive and retain the property as his own absolutely, unburdened by any condition or trust for the benefit of the donor or any other person. Gifts may be made *inter vivos*, *i.e.*, by one living person to another living person; *mortis causa*, which is a gift made by a person in contemplation of death, and only intended to take effect in case of death; and by will. Gifts *inter vivos* may be made by deed or instrument in writing, by delivery of the chattel, or by means of a declaration of trust. The present article deals only with the first mode of making such a gift.

By English law a gift is irrevocable, but this is only the case when there is no suspicion of fraud; otherwise any person might easily divest

himself of his whole possessions on the eve of his bankruptcy. Against the trustee in bankruptcy, however, a voluntary deed of gift is absolutely void if the gift was made within two years of the bankruptcy, and is voidable if made within ten years of the bankruptcy, unless it is shown that the bankrupt, at the time of the making of the gift, was solvent, without taking into consideration the property conveyed as a gift.

In certain cases a deed is necessary to a complete gift. These are grants of the legal estate in land; gifts of chattels which are to remain in the possession of the donor (see *BILLS OF SALE*), a gift of a British ship or of a share therein; and a gift of shares in companies is generally required to be made by deed.

Deeds of gift may be set aside if procured by the fraud, coercion, duress, or undue influence of the donee, or if they amount to a fraud upon the donor's creditors. In many cases of gifts between persons in a confidential relation very little will be needed to raise a presumption that the gift was procured by undue influence, and it will be set aside unless the donee can conclusively establish that he was really intended to benefit thereby, and that the donor was fully aware of all the circumstances, and freely and willingly parted with his property. For a gift by child to parent, by ward to guardian, by young persons to older relatives in whose care they are, by a client to his solicitor, or by a *cestui qui trust* to a trustee, to be allowed to stand when challenged, the recipient must be able to satisfy the court that the gift was made with a deliberate and unbiassed intention, and also, in most cases, that the donor had the benefit of independent advice on the subject. A somewhat similar rule will be applied, though not quite to the same extent, to gifts made by a sick person to his medical attendant, or by a member of a congregation to his clergyman or minister. Wherever anyone is in a position to use influence over another, a gift to him by that other is tainted with suspicion; and if the circumstances are such as to call for an explanation from the recipient, the gift will not be allowed to stand unless that explanation is satisfactory.

If shares are transferred as a gift, the consideration is a nominal one, generally 5s. or 10s. The stamp duty on gifts made between living persons is the same as on a conveyance or transfer on sale, with the substitution in each case of the value of the property conveyed or transferred for the amount or value of the consideration. (See *CONVEYANCE, GIFTS INTER VIVOS*.)

DEED OF INSPECTORSHIP.—This is a deed by which an insolvent debtor, generally a trader, places his business in the hands of his creditors. The latter then appoint an inspector or inspectors, who are in the position of trustees, to carry on the business or to wind it up for their general benefit.

DEED POLL.—This is the name which is given to a deed made by one person only. It is a document, sealed and signed as any other deed, which is usually addressed to the world at large, and not to any person or persons in particular. A deed poll almost invariably commences with these words: "Know all men by these presents that I, A. B., etc." A common instance of the execution of a deed poll, is where a person changes his or her name. Again where a tenant in tail (*q.v.*) disentails his lands, it is by means of a deed poll, though it is just possible that other acts will have to be done as

well in order to complete the disentailment. A deed poll must be stamped like any other deed, *i.e.*, with a 10s. stamp.

DEER.—Hoofed quadrupeds, of which there are many species, such as the red deer, reindeer, stag, etc. They are distinguished by their antlers, which are outgrowths from the frontal bones. These are shed and renewed annually, and are very valuable in commerce for knife handles and as ornaments. The flesh of deer is known as venison, and the skins are used for rugs, etc. Deer are found in many parts of Europe, Asia, and America; but Great Britain's imports of skins and antlers come mainly from India and South America.

DEFAMATION.—Under this heading are included the two wrongs which are known to English law under the titles of libel and slander. It is only intended to deal with this subject in the merest outline, since there are so many technicalities connected with the same that no adequate treatment would be possible, except in a volume devoted exclusively to the subject.

Libel is the malicious publication of untrue statements, either by writing, printing, or the like signs, without just cause or excuse, which expose or tend to expose another person to hatred, contempt, or ridicule, or are calculated to injure him in his business. First, as to libel and its remedy at civil law. The plaintiff must show that the statements made concerning him are untrue (Truth is always a complete answer to a civil action.) In pleadings (*q.v.*) the plaintiff always avers, in addition to the charge of falsehood, that the statements are made maliciously. This word "maliciously" has a special meaning in this sense, and is not confined to what is commonly understood by the term. It is sufficient if the thing is done without any semblance of right. Then publication must be established, *i.e.*, it must be shown that the writing, etc., has been communicated to some person or persons other than the plaintiff. Very little is required to prove publication if the defendant acts with a certain amount of carelessness and allows the intervention of a third person in making his communications, even to the plaintiff himself. Thus, the dictation of a defamatory letter, addressed to the plaintiff by the writer of the same, to a shorthand-typist has been held to be a sufficient publication. It is doubtful, however, whether this can now be considered to be sound law. It has been very adversely criticised more than once in several recent cases. But in such a case the plaintiff will not always obtain much satisfaction unless the case is one of a very gross character. For it is to be remembered that the awarding of damages is entirely in the hands of a jury, and in their award every circumstance will be taken into consideration.

Closely connected with the subject of a personal libel is that which is known as a trade libel, when an attack is made not upon an individual, but upon the goods, etc., which he manufactures. It is closely analogous to the personal kind of libel, and it must be made falsely and maliciously, in such a manner as to be likely to damage the goods attacked. There is no legal wrong in a man's praising his own goods in the most inordinate fashion, but if he embarks upon this course he must not make comparisons with other people's goods in such a manner as to bring the latter into "hatred, contempt, or ridicule."

In addition to the civil action spoken of above, there is also, under certain circumstances, a remedy

under the criminal law. Thus, if one man makes a violent attack upon another, accusing him in a manner somewhat more severe than would give rise to a civil action, criminal proceedings may be instituted, and, upon conviction, a defendant may be fined or imprisoned. In such a case there are two points of difference to be noted in comparing the two proceedings. As to publication. The publication is sufficient if the alleged libel is sent to the person libelled. The intervention of a third party is not absolutely essential. The reason for this is that libels may give rise to a breach of the peace, and, therefore, the criminal law steps in to prevent such a breach. And also, whereas in a civil libel action truth is a complete answer, in a criminal action it is no answer at all, unless it is shown that the publication of the libel was for the public benefit.

In a civil action for damages, it has been pointed out above that the amount is a question for the jury.⁶ It is not necessary for the plaintiff to prove that he has suffered any loss, pecuniary or otherwise, in any particular way. In legal language, it is not essential to prove "special" damage. Naturally, the views taken by a jury will vary considerably in different cases, and when the verdict is of a contemptuous character, *e.g.*, when one farthing is awarded as damages, the presiding judge may refuse to give the plaintiff his costs of the action.

Slander is defamation by words spoken and not written. The nature of the words must be similar to that in the case of libel, and there must be a publication to a third person. But there is no criminal action for slander. The civil remedy is the only one. And, even then, there is no right of action in the absence of clear proof of special damage, *i.e.*, unless the plaintiff can prove that he has sustained loss or harm directly through the publication of the slanderous words, except in four cases: (1) Where the words charge the plaintiff with having committed some criminal offence, (2) where they impute to him a contagious or infectious disease, (3) where they are spoken of him as a professional or business man; and (4) where they impute unchastity or adultery to a woman. Truth is always a complete answer to slander as it is to libel.

It is unnecessary to do more than to mention what is known as "seditious libel." This consists, curiously enough, of spoken words, though called by its special name under statutory sanction. It consists of language tending to damage the maintenance of peace and order within the kingdom.

Every civil action for libel or slander must be commenced in the High Court; but if good cause is shown, it may afterwards be remitted from the High Court to some county court for the purposes of trial.

DEFAULT.—The failure on the part of a person to fulfil an obligation or duty—legal or other. Thus, if a person is called upon to pay a certain debt on or before a fixed date, and that date passes and the debt is not settled, he is in default. Again, a trustee or any other person in a fiduciary capacity who in any way misapplies moneys committed to his charge is in default. In legal procedure certain rules are laid down as to the times within which particular things must be done. Such are the entry of an appearance to a writ, the delivery of pleadings, etc. In the case of failure in any of these respects, there is said to be a default on the part of the offending party.

DEFAULTERS.—A member of the Stock Exchange who is unable to meet his engagements is known as a "defaulter," and has to be declared as such by direction of the chairman, deputy-chairman, or any two members of the Stock Exchange Committee. The method of making this declaration is: That two of the Stock Exchange attendants (known as waiters) stand in their boxes, strike three hard blows with wooden mallets, and announce formally that so-and-so is unable to comply with his bargains. From this method of announcement arises the term "hammered" or "hammering," and to say that so-and-so was "hammered" on the Stock Exchange is equivalent to stating that he has been declared a defaulter. The effect of such declaration is that the individual named immediately ceases to be a member of the Stock Exchange. A defaulter is not allowed to make any compromise or private engagement with his creditors, and two members of the Stock Exchange who have been appointed as official assignees have to investigate the defaulting member's accounts and report to the Stock Exchange Committee thereon. The following are the most important Stock Exchange rules in connection with defaulters:—

"In every case of failure the Official Assignees shall publicly fix the prices current in the Market immediately before the declaration, at which prices all Members having accounts open with the Defaulter shall close their transactions by buying of or selling to him such Securities as he may have contracted to take or deliver, the differences arising from the Defaulter's transactions being paid to, or claimed from the Official Assignees.

"Creditors for differences shall have a prior claim on all differences received by, or due to, a Defaulter's estate.

"(1) The following claims shall not be allowed to rank against a Defaulter's estate until all other claims have been paid in full, but assets arising from such transactions shall be collected and distributed among the creditors:—

"(i) Claims arising from Bargains done more than eight days previously to the close of a Consols Account for a date beyond the Second ensuing Consols Account-day.

"(ii) Claims arising from Bargains for a period beyond the Third ensuing Ordinary Account-day.

"(iii) Claims arising from Bargains in Securities for a date previous to that fixed for the Special Settlement.

"(iv) Claims arising from differences which have been allowed to remain unpaid for more than Two business days beyond the day on which they became due.

"(2) Differences overdue and paid previous to the day of default are not to be refunded.

"A Member shall not attempt to enforce by law a claim arising out of a Stock Exchange transaction against a Defaulter, or the Principal of a Defaulter, without the consent of the creditors of the Defaulter or of the Committee."

A defaulter may be re-admitted to membership of the Stock Exchange on compliance with certain conditions. On his making application for re-admission, a sub-committee of the Stock Exchange Committee investigates his conduct and accounts. Re-admission takes place in one of two classes, the first class being cases of failure arising from the fault of principals or of other circumstances where no bad

This Paper marked "A" is the Paper referred to in the annexed affidavit.
"BY LEAVE OF THE REGISTRAR."

No. of Plaint O 0 796

23.—Default Summons under Sect. 86 of The County Courts Act, 1888

In the Lambeth County Court of Surrey,
holden at the Camberwell New Road, Camberwell.

BETWEEN

JOSEPH SIMPSON,
of 392 Conduit Street,
London,
Solicitor.

Plaintiff.

AND

JAMES ALFRED THOMPSON,
of 485 Thames Street,
Lambeth,
Electrician.

Defendant.

TAKE NOTICE, That unless within Eight Days after the personal service of this Summons on you, inclusive of the day of such service, you return to the Registrar of this Court at the Camberwell New Road, Camberwell, the Notice given below, dated and signed by yourself or your Solicitor, you will not afterwards be allowed to make any defence to the claim which the Plaintiff makes on you, as per margin, the particulars of which are hereunto annexed; but the Plaintiff may, without giving any further proof in support of such Claim than the affidavit filed in Court herein, proceed to judgment and execution. If you return such notice to the Registrar within the time specified, the Registrar will send you by post notice of the day upon which the action will be tried. (See below.)

	£	s.	d.
Claim	10	10	0
Fee for Plant		13	0
Solicitor's Costs	1	3	2
Total Amount of Debt and Costs	12	6	2

Dated this 14th day of May, 19..

W. B. PRITCHARD, Registrar

To the Defendant.

N.B.—SEE BACK.

[N.B.—This Summons must be served personally on the Defendant within a period of twelve months from the date thereof, or within such extended period as may be allowed.]

Hours of attendance at the Office of the Registrar, Camberwell New Road, Camberwell, from Ten till Four o'clock, except on Saturdays, when the Office will be closed at One o'clock.

NOTE.—All payments into Court are required to be made in Cash, at the Office of the Court, Camberwell New Road, S.E. Payment in any other manner is made at the sole risk of the payer, and in no case will Cheques be received. All letters must be addressed to "The Registrar, County Court, Camberwell New Road, S.E.," and must contain the reference letter and number of the case, and when a reply is required a stamped addressed envelope must also be enclosed.

Notice of Intention to Defend.

No. of Plaint O 0 796

In the Lambeth County Court of Surrey,
holden at the Camberwell New Road, Camberwell.

SIMPSON v. THOMPSON

I intend to defend this Action.

Dated this .. day, of .. 19..

(1) Defendant.

Address to which Notice of Trial is to be sent ..

*To be filled in by Registrar previous to issue of Summons.

(1) Here must be signed the name of Defendant or of his Solicitor, and in the latter case the words "Solicitor for" together with his address, must be prefixed.

If you pay the Debt and Costs, as per margin on the other side, into the Registrar's Office, before the expiration of **EIGHT Days** from the date of service of this Summons, inclusive of the day of such service, and without returning the Notice of Intention to Defend, you will avoid further Costs.

If you do not return the Notice of Intention to Defend, but allow Judgment against you by Default *you will save Half the Hearing Fee*, and the Order upon such Judgment will be to pay the Debt and Costs forthwith, [or by instalments, (to be specified as in Plaintiff's written consent)].

If you admit a part only of the Claim, you must return the Notice of Intention to Defend within the time specified on the Summons; and you may, by paying into the Registrar's Office at the same time the amount so admitted, together with Costs proportionate to such amount, avoid further Costs unless the Plaintiff proves at the trial an amount exceeding your payment.

[If you return the notice of Intention to Defend, you may pay the Debt and Costs, or, if you admit a part only of the Claim, the amount so admitted, together with Costs proportionate to such amount, into the Registrar's office at any time before the action is called on for trial, and by so doing you may avoid further Costs, unless the Plaintiff proves at the trial an amount exceeding your payment, or the Judge orders you to pay any further Costs properly incurred by the Plaintiff before receiving notice of such payment.]

If you intend to dispute the Plaintiff's Claim on any of the following grounds—

1. That the Plaintiff owes you a debt which you claim should be set off against it;
2. That you were under Twenty-one when the debt claimed was contracted;
3. That you were then, or are now, a married woman;
4. That the debt claimed is more than six years old;
5. That you have been discharged from the Plaintiff's claim under a Bankrupt or Insolvent Act;
6. That you have already tendered to the Plaintiff what is due;
7. That you have a Statutory or Equitable Defence.

You must give notice thereof to the Registrar **FIVE CLEAR DAYS** before the day fixed for the trial and such notice must contain the particulars required by the County Court Rules; and you must deliver to the Registrar as many copies of such notice as there are Plaintiffs, and an additional Copy for the use of the Court. If your DEFENCE be a SET-OFF, you must, with the Notice thereof, also deliver to the Registrar a statement of the particulars thereof. If your DEFENCE be a TENDER, you must pay into Court the amount tendered.

[If the Debt or Claim exceeds five pounds you may have the Action tried by a Jury, on giving notice in writing at the Registrar's office **TEN CLEAR DAYS** before the day fixed for the trial, and on payment of eight shillings for the fees of such Jury.]

Summonses for witnesses and for the production of documents by them will be issued upon application at the office of the Registrar of this Court, upon payment of the proper fee.

Order II.
Rule 21.

No. of Plant **O o 796**

The Summons of which this is a
true copy [add, if so, with copy of
affidavit annexed] was served by
me, the undersigned, personally on
the Defendant
at
on the day of
19.

By the
Plaintiff
and
his
attorneys

Bailiff of the
County Court.

In the Lambeth County Court of Surrey

Plaint O o 796

BETWEEN

JOSEPH SIMPSON

Plaintiff,

and

JAMES ALFRED THOMPSON

Defendant.

PARTICULARS OF PLAINTIFF'S CLAIM.

19..

March 25. To one Quarter's rent of the premises, No. 953 Faithful Road,
West Norwood, Surrey, due from the Defendant to the Plaintiff
under an Agreement dated the 29th day of September, £ s. d.
19.., made between the Plaintiff of the one part and
the Defendant of the other part 10 10 0

Dated this 14th day of May, 19..

Yours, etc, .

JONES & ROBINSONS,

784 Essex Street,

Strand,

London, W.C.,

*Plaintiff's Solicitors who will accept
service of all notices on his behalf.*

To the Registrar of the Court
and to the Defendant.

faith or breach of the rules and regulations of the Stock Exchange has occurred, and where the defaulting member's operations were not unreasonable having regard to his means and resources, and where his general conduct has been irreproachable. The second class is "Cases marked by indiscretion and by the absence of reasonable caution."

A defaulting member is not eligible for re-admission until he has paid from his own resources at least one-third of the balance of an ~~loss~~ loss that may occur on his transactions.

DEFAULT SUMMONS.—This is the name given to a particular method of procedure in the county courts, which has a certain resemblance to procedure in the High Court under Order XIV (*q.v.*). The summons is printed on salmon coloured paper, and can only be issued in respect of liquidated amounts, *e.g.*, money lent, goods sold and delivered, etc. It does not apply to bills of exchange, for which special rules are provided. Unlike an ordinary summons, which can be served upon some person other than the defendant (provided it is shown that it must, in the ordinary course, come to the knowledge of the defendant), a default summons must be served on the defendant personally. There is no date on the summons when it is issued, because it is uncertain when the service of it will be effected—the defendant sometimes taking particular care to keep out of the way—but, instead, the summons contains a notice ordering the defendant, if he wishes to contest the claim, to give notice thereof within eight days from the date of service. This appearance is effected by his tearing off a form which is attached to the summons, filling up the same with the particulars required, and sending it to the registrar of the county court. The summons also gives the defendant notice that if he does not appear, judgment will be signed against him in his absence. Since it is thus possible for a judgment to be signed against a defendant in his absence, and without any examination into the merits of the case, the court is very careful to require the plaintiff to swear an affidavit verifying the debt before it will consent to issue the summons. Of course, the swearing of a false affidavit renders the deponent liable to a prosecution for perjury. On judgment being obtained, execution may be issued, or the defendant may be ordered to pay the debt by instalments. If he fails to do so, he may be brought up on a judgment summons and examined as to his means, and if he then fails to pay, should an order be made against him, he is liable to be imprisoned for contempt of court (*q.v.*). If the defendant enters an appearance, the court then fixes a day for the hearing of the summons and acquaints the parties with the fact. The case comes on in its turn, and judgment is pronounced. When there is any special defence set up, as to which the summons gives full particulars, the defendant must comply with the rules of the court, in order to be able to rely upon it at the hearing.

It is by means of default summonses that an immense number of debts are collected every year. Defences are frequently put in, when there is not the slightest intention of contesting the claim of the plaintiff. This course is adopted in the vast majority of cases for the purpose of gaining a little time.

DEFEASANCE.—This word is derived from the French *défaire*, which means "to undo."

A document containing a condition upon the

fulfilment of which the contract contained in the deed to which it refers is defeated or rendered void. The condition itself is also called a defeasance. Thus in the case of an ordinary money bond, the acknowledgment of indebtedness is followed by a clause which renders the bond null and void if the money due under the bond is actually paid.

DEFENCE.—This is the name of the formal document in which a defendant puts forward the case which he intends to set up against the allegations contained in the plaintiff's statement of claim (*q.v.*). (See PLEADINGS.)

DEFENDANT.—The person who is sued in any action in a court of justice and who opposes the claim that is made against him. Technically, this is also the name of an accused person in criminal cases, when the charge is one of misdemeanour (*q.v.*) and not felony (*q.v.*), the name "prisoner" being used in the latter case.

DEFERRED ANNUITY.—An annuity payable after the expiration of a certain agreed number of years. When once it has commenced to run, it may be either perpetual, or it may be limited to terminate on the happening of a particular event. The present value of such an annuity must depend on many contingencies, and if the proposed annuitant dies before the first payment becomes due the premium is lost.

Deferred annuities—old age pay—can be purchased at any post office savings bank. The rates are given in the *Post Office Guide*. (See ANNUITY.)

DEFERRED BONDS.—Bonds which bear a gradually increasing rate of interest up to a certain rate agreed upon, when they are exchanged for active bonds bearing a fixed rate of interest payable in full from the date of issue.

DEFERRED REBATES.—The payment of deferred rebate is the return, after a certain length of time, of an allowance or discount by the shipowner to the shipper. Instead of the primeage being paid to the captain of the ship for his care of the cargo, the primeage is returned to the shipper under the form of deferred rebate. The rate of primeage varies according to the usages of different ports, but we will take, as an instance, that it is £10 per cent. The cost of freight on a shipment of goods is £100 and the primeage £10. This amount of £10 will be returned by the shipowner to the shipper at a time decided by the shipowner, or by the "ring" of shipowners of which he is a member, and to whose rules he is subject. The deferred rebate may be returned at one time, or it may be paid in two lots of 5 per cent, one at the end of, say, six months and the other at the end of twelve months. The shipowners then always hold in hand a certain percentage on the freight paid by any firm of shippers. If the shipper decided to break away from the conference or ring by which he ships his goods, in order to have the goods carried at a cheaper rate of freight by a line of steamers outside the conference, he would forfeit his rebate. This the shipper cannot afford to lose, and the hold on him is further strengthened by some of the big firms by the distribution of a further 5 per cent. of what is known as "secret rebate." This is secretly distributed among a number of privileged firms, and the manner or method of division and distribution is kept a profound secret by the participants. The shipping companies claim that the system of deferred rebate has facilitated and made more regular the opportunities for shipment, has eliminated the speculative element in rates of

freight, has reduced the rates of marine insurance, and has resulted in the better out-turn of the cargo.

DEFERRED STOCK or SHARES.—Stock or shares which do not entitle the holders to any dividend upon them until the claims of prior shareholders, preference or ordinary, have been satisfied. Founders' shares (*qv*) in joint stock companies are often of this kind.

By the Regulations of Railways Act, 1868, railway companies have special powers granted to them, under certain conditions, for converting their ordinary stock into two classes, preferred ordinary and deferred ordinary.

DEFICIENCY ACCOUNT.—A deficiency account is to be rendered in all cases of bankruptcy and compulsory liquidation. It is also used in private arrangements with creditors under the Deeds of Arrangement Act, 1914. The object of the deficiency account is to explain the various losses, expenses, etc., which have contributed to bring about the position shown on the front sheet of the statement of affairs. The form to be followed is given in the Appendix of the Rules under the Bankruptcy Act—No 34 K. The forms used in winding-up and in cases under the Deeds of Arrangement Act are very similar to the form used in bankruptcy.

Where double-entry books are in use, these should first be completed by the inclusion of the value of the stock-in-trade, which will have been accurately taken. The nominal accounts should then be closed, and the profit and loss account and balance sheet made out. Next, as explained in the article on STATEMENT OF AFFAIRS, private assets and private or contingent liabilities should be entered in the books, being credited or debited to an adjustment account. Differences between book and realisable values of assets will be credited to the account for the particular asset and debited to the adjustment account or *vice-versa*.

When all assets and liabilities are stated in the books at the proper figures, the statement of affairs can be prepared. The material for the deficiency account can then be obtained from the trader's capital account, drawings account, and the profit and loss accounts and adjustment account.

The deficiency account in bankruptcy commences at a date twelve months before the date of the Receiver's Order, or such other time as the Official Receiver may fix. In compulsory liquidation the deficiency account must cover a period of three years before the date of the Winding-up Order, and the form of account is slightly different where the company has been floated within the three years, there being in the latter case neither surplus nor deficiency with which to commence the deficiency account, in consequence of the fact that limited companies are floated on an equality of assets and liabilities. Again, in the form prescribed for limited companies, the various expenses, constituting, with gross profit, the profit and loss account, are shown separately, and directors' fees and dividends paid are also stated.

Assuming the date selected as the commencement of the period to be covered by the deficiency account of a trader is one at which a balance sheet was prepared, the excess of assets over liabilities, or *vice versa*, can be inserted as per the balance sheet. Next, the subsequent profit and loss accounts should be taken, and the net profits or losses, after eliminating bad debts (which should

be shown separately), can be inserted. The private drawings of the debtor should be analysed, and any expenses other than household expenses separately stated. Then any items credited to the adjustment account and representing private assets brought into the business may be stated on the left hand side of the deficiency account, whilst the entries to the debit of the adjustment account will supply the information necessary to show, on the right hand side of the deficiency account, amounts written off assets in the statement of affairs, private liabilities brought into the statement of affairs, and any losses or expenses which it is deemed advisable to show separately, either from the profit and loss accounts or from the analysis of the debtor's private drawings.

In practice it is not often possible to draw up a correct deficiency account by reason of the books being incomplete and time being limited. In consequence, the deficiency account often consists of a number of estimated amounts constructed from more or less reliable information, and it is frequently a fact that a bankrupt is unable to account satisfactorily for his deficiency.

DEFICIENCY BILL.—The term used to denote a bill given by the Government to the Bank of England to make up any deficiency shown upon paying the dividends on the Government Stocks. These bills require to be paid off before the end of each quarter, and the rate of interest charged is half the Bank of England rate of discount, with a maximum rate of interest of 3 per cent.

DEFINITIVE BONDS.—Upon perusing the prospectus of a company, the following sentence is frequently found—

"On payment of the instalment due on allotment, the allotment letter will be exchanged for scrip certificate to bearer. The scrip certificate, when fully paid, will be exchangeable in due course for *Definitive Certificates*, or bonds to bearer."

This statement shows clearly what a definitive bond really is. It is, in fact, a completed and fully paid bond in contradistinction to a scrip certificate, which is provisional security only, the latter being exchanged for a definitive bond under the conditions which are set out above.

DEFUNCT COMPANY.—On the registration of the memorandum of association of a company (see REGISTRATION OF COMPANY), the registrar issues a certificate of incorporation (*qv*), and a new legal entity comes into being. The company, once being established, cannot come to an end unless it is wound up (see WINDING-UP), or unless it becomes defunct under the provisions of Section 242 of the Companies (Consolidation) Act, 1908. By this Section, if the registrar has reasonable grounds for believing that a company is not carrying on business, he is empowered to send a letter of inquiry to the company asking for particulars as to its business. If he receives no reply to this letter within a month, he must then send another letter, registered this time, within fourteen days after the termination of the month, referring to his previous communication and again asking for particulars, at the same time pointing out the consequences which will probably follow if no reply is sent to him. After the lapse of another month, and no reply having been received, it is the duty of the registrar to publish a notice in the *Gazette* that, unless good cause is shown to the contrary, the name of the company will be struck off the register

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DEFICIENCY ACCOUNT.

	£	s.	d.	£	s.	d.
Excess of assets over liabilities on the (1) day of 19 (if any)				£	s.	d.
Net profit (if any) arising from carrying on business from the (1) day of 19, to date of Receiving Order, after deducting usual trade expenses						
Income or profit from other sources (if any) since the (1) day of 19						
Deficiency as per statement of affairs						
Excess of liabilities over assets on the (1) day of 19 (if any)				£	s.	d.
Net loss (if any) arising from carrying on business from the (1) day of 19, to date of Receiving Order, after deducting from profits the usual trade expenses						
Bad debts (if any) as per Schedule "I" (2) ...						
Depreciation of stock-in-trade.						
Depreciation of machinery.						
Depreciation of trade fixtures, fittings, etc.						
Expenses incurred since the (1) day of 19, other than usual trade expenses, viz., household expenses of self and (2)						
(4) Other losses and expenses (if any)						
(5) Surplus as per statement of affairs (if any) ..						
Total amount accounted for				£	s.	d.
Total amount accounted for				£	s.	d.

Signature *Dated* 19..

(4) Here add particulars of other losses or expenses (if any), including liabilities (if any), for which no consideration received.

(5) Strike out words which do not apply.

(6) These figures should agree.

Notes: (1) This date should be twelve months before date of Receiving Order or such other time as Official Receiver may have fixed.

(2) This Schedule must show when debts were contracted.

(3) Add "wife and children" (if any), stating number of latter.

of companies. The company will then become defunct or dissolved. Under certain conditions, if a company is being wound up and the liquidation is not proceeded with in due course, a similar procedure will be adopted and the like result will ensue.

DEL CREDERE AGENT.—This expression denotes an agent who, either in consideration of extra remuneration or a higher rate of commission, or as a term of his appointment, undertakes to keep his principal indemnified against loss from the failure to carry out their contracts of persons with whom the principal contracts on the introduction or through the mediation of the agent. Such an undertaking is not an agreement to answer for the debt, default, or miscarriage of another within the meaning of the Statute of Frauds (*q.v.*), and need not, therefore, be evidenced by writing signed by the agent; nor need the appointment of such an agent be made in writing, since this special term of the agency may be either expressly stated on the appointment of the agent, or implied from the fact that the agent charges a higher commission than is usually paid to an agent who does not undertake this additional risk. A relationship something akin to that of *del credere* agency is sometimes created by the usage of a particular trade or business, which may establish an exception to the general rule that an agent is under no personal liability to his principal upon any contracts made on the principal's behalf; such a usage exists in the case of marine insurance brokers, who are personally responsible to the underwriters for the premiums on the policies effected through them. A distinction must be drawn between the liability of a *del credere* agent to his principal, and that of an agent to the third party, which may arise either because the agent exceeds his authority or is acting for a foreign principal, or for the other reasons which are mentioned in the article on AGENCY (*q.v.*).

DELEGATE.—There is a maxim in English law, *delegatus non potest delegare*, which means that where an agent is authorised to do any act, he cannot delegate his authority, but must perform it himself. The rule is based on the personal and confidential nature of the contract of agency, and precludes auctioneers, brokers, and similar persons from employing deputies or sub-agents. The rule is, however, subject to various exceptions. If the principal knew, when he appointed the agent, that the agent intended to delegate his authority, or if from the conduct of the principal and agent one might reasonably infer an intention that delegation should take place, the principal is bound by the delegation. Such an inference arises if the act is purely ministerial, involving no confidence or discretion, *e.g.*, an authority to indorse a particular bill, or if it is one of such a kind as to necessitate its execution wholly or in part by means of a deputy or sub-agent. Thus, a country solicitor has an implied authority to act through his London agent when necessary or usual in the ordinary course of business, and the acts of such an agent in the matter entrusted to him bind the client. The power of delegation may also be inferred from the usage of a particular business, *e.g.*, if a shipowner employs an agent to sell a ship at any port where the ship may from time to time, in the course of her employment under the charter, happen to be, an appointment of substitutes at ports other than those where the agent himself carries on business is a necessity,

and may reasonably be presumed to be in the contemplation of the parties.

Such a usage of trade must not, however, be unreasonable, nor must it be inconsistent with the express terms of the agent's authority or instructions.

DELIVERY BOOK.—This is the book in which are entered all particulars of goods which are sent out by carriers and others. The book acts as a species of receipt, for when the goods are delivered at any particular address, the person receiving the same signs his name in the book and thus signifies that he has accepted them.

DELIVERY OF BILL.—By Section 2 of the Bills of Exchange Act, 1882, delivery is defined as transfer of possession, actual or constructive, from one person to another.

The Act deals with delivery in Section 21 as follows—

"(1) Every contract on a bill, whether it be the drawer's, the acceptor's, or an indorser's, is incomplete and revocable, until delivery of the instrument, in order to give effect thereto.

"Provided that where an acceptance is written on a bill, and the drawee gives notice to or according to the directions of the person entitled to the bill that he has accepted it, the acceptance then becomes complete and irrevocable.

"(2) As between immediate parties, and as regards a remote party other than a holder in due course, the delivery—

"(a) in order to be effectual must be made either by or under the authority of the party drawing, accepting, or indorsing, as the case may be:

"(b) may be shown to have been conditional or for a special purpose only, and not for the purpose of transferring the property in the bill.

"But if the bill be in the hands of a holder in due course a valid delivery of the bill by all parties prior to him, so as to make them liable to him, is conclusively presumed.

"(3) Where a bill is no longer in the possession of a party who has signed it as drawer, acceptor, or indorser, a valid and unconditional delivery by him is presumed until the contrary is proved."

Just as a deed has no legal effect until it has been delivered, so a bill of exchange does not effectually bind any of the parties to it if, although complete in form, it comes into the hands of a person through some fraud before it has been delivered. For example, if a person puts a blank acceptance in his desk, and the acceptance, *i.e.*, the bill, is stolen and filled in as a bill, such person will not be liable upon the bill, as it was never delivered by him for the purpose of being converted into a bill. The same rules are applicable to cheques and promissory notes.

"In order to make the property in bills pass," it has been judicially observed, "it is not sufficient to indorse them. They must be delivered to the indorsee or to the agent of the indorsee. If the indorser delivers them to his own agent, he can recover them; if to the agent of the indorsee, he cannot recover them." Take an example: A drawee receives a bill from the holder (*q.v.*) and, writes an acceptance upon it. He afterwards hears that the drawer has become bankrupt, cancels his acceptance, and returns the bill to the holder. He is entitled to revoke his acceptance, since he has never delivered the bill so as to make himself personally liable upon it. But if the acceptor, after

writing his acceptance on the bill, had given notice of his acceptance to the holder, such acceptance would be complete and irrevocable.

When a bill of exchange gets into the hands of a holder in due course (*q.v.*), a valid delivery of the bill by all parties prior to him, so as to make them liable, is conclusively presumed. And, moreover, where a bill is no longer in the possession of a person who has signed it as drawer, acceptor, or indorser, a valid and unconditional delivery by him is presumed until the contrary is proved. (See NEGOTIATION OF BILL OF EXCHANGE, STOLEN BILL, STOLEN CHEQUE, TRANSFEROR BY DELIVERY.)

DELIVERY OF CHEQUE.—(See DELIVERY OF BILL.)

DELIVERY ORDER.—Delivery Order is the name given to a writing directed to the bailee of goods mentioned in the order, requesting him to deliver over the goods to the person named in the order. A mere delivery order given by the seller to the buyer is no receipt by the latter until communicated to the agent and accepted by him as transferring the possession; nor is a mere delivery order given by the seller to the agent, until communicated by the latter to the buyer. Such orders are often treated as if they were negotiable instruments, passing by mere delivery the title to the goods, but this is not so, although a person dealing with the holder of a delivery order, *bona fide* and without notice of any vendor's lien, is protected by the Factors Act, 1889, and the Sale of Goods Act, 1893, (Secs. 25, 47) in cases falling within these enactments. A delivery order, properly so-called, is, until it is acted upon, a mere "promise to deliver," and the delivery is not complete until the bailee attorns to the buyer, and thus becomes the latter's agent, as custodian of the goods. The former stamp duty of 1d. on a delivery order for goods of the value of 40s. and upwards was abolished by the Finance Act, 1903.

DEMAND AND SUPPLY.—By Demand, *effective demand* as it is called, is to be understood the desire to possess combined with the power of purchasing at a certain price; by Supply is meant the amount offered for sale at a certain price. Demand is not synonymous with desire; I may have a keen wish for a steam yacht, but my wish is no factor in demand, since it exists apart from the sole means of realising, namely, an adequate claim on society for a share in the stock of useful and agreeable things. Similarly, Supply is not to be confounded with the whole amount in being, the stock of the particular article. The desire for an article, and the stock of the article are quite independent of price. But the Demand diminishes as the price increases: a novel issued at 6s. will command a much smaller sale than if issued at 6d. Likewise the Supply tends to increase as the price increases: the wish to participate in gains beyond ordinary attracts supplies into the market from most diverse sources. The Demand and Supply, therefore, are *not fixed quantities*, but vary according to price. If the visible Supply is less than will satisfy the Demand of purchasers at the price, the bidding of purchasers against one another will raise the price. The rise in price repels some would-be purchasers; it will also bring out further supplies from those who would have been unwilling to part with their commodity at the former price. The lessening in the amount demanded together with the increase in the amount offered will at length result in a price which equalises Demand and

Supply. A perfect market, which we here assume, is an area, within which prices are fixed by free competition, in which buyers and sellers are equal in bargaining power. This area may be for some commodities an isolated town, for others it may comprise the whole commercial world. The price for the same article is uniform throughout such a market, and this price results in an *equation between Demand and Supply*. If, on the other hand, the Demand for the article at a certain price is not sufficient to carry off the Supply offered at that price, the holders of the article will be obliged to make concessions—including the most effective concession of all, a lowering of prices—to induce customers to take more of the article. The lowered price causes some holders, whose anxiety to sell is less pressing, to retreat from the market; it causes also new buyers to advance and old ones to buy more than they could have been induced to buy at the first price. Eventually a point is again reached at which an equation is established between the amount offered for sale at the price and the amount that will be bought at the price; and at this price there will be the maximum amount of exchange—more buyers and settlers will attain their purpose. Such an ideal market is approximately presented by the Stock Exchange.

Demand and Supply, therefore, are both affected by value or price: a high price stifles Demand and stimulates Supply. Many a corner has been a ruinous failure to its projectors because they had overlooked sources of supply which the high price had tapped. Similarly a low price promotes Demand and shuts off Supply. In what manner Demand and Supply vary under the influence of fluctuating price it is impossible to predict, though we may make broad distinctions. It would, for instance, require a very great rise of price materially to diminish the Demand for bread; and in times of dearth the Supply may be incapable of increase. A deficit in the Supply of one quarter may cause a rise of price possibly fourfold, before the equation is established. On the other hand, in order to call forth a greater Demand to carry off a more than ordinary Supply, a very great fall of price may be necessary. Articles, for which the Demand varies little for a rise or a fall of price, are said to be *inelastic*. Such are the articles which correspond to desires easily satiated, and of these bread is the type. People who already have enough will require little more on account of cheapness; increased consumption carries off a very small part of the extra Supply caused by a prolific harvest; and the fall of price is arrested only when farmers or other speculators who hold back in expectation of higher prices withdraw supplies. Other articles, however, answer to desires which are only very slowly satiated. Such are luxuries which appeal to a large class, cheap newspapers or novels, strawberries in July, ribbons and laces all the year; a fall in price stimulates a large increase in Demand, a rise in price means a corresponding decrease. Articles, the Demand for which is in this manner very sensitive to changes of price, are said to be *elastic*. On an average of years, taken over a period sufficiently long to allow temporary deviations to balance one another, the value, we have already seen, is determined by the cost of production; but for a short period the value of any article may be greatly above or greatly below the cost of production. If a nation goes into mourning the increased intensity of Demand for black cloth will cause the

hitherto sufficient Supply to be greatly lacking. A rise of price will take place independently of the fact that by waiting till production has time to adjust itself to the new conditions, a Supply able to cope with the needs of all will be available. Temporarily, cost of production is displaced as the determining factor of value by Demand and Supply. If, owing to the vagaries of fashion, the desire of a number of the buyers of velvet were suddenly quenched, the existing Supply could be turned into money only by a great reduction in price. Permanently, and in the long run, the price of things corresponds to their cost of production; for short periods Demand and Supply are the controlling agencies of price.

DEMAND DRAFT.—This is the name given to a bill of exchange which is drawn payable at sight, i.e., immediately upon presentation. It needs no acceptance, and naturally days of grace do not extend to it.

DEMISE.—The legal word used to signify the granting of a leasehold or similar interest in an estate by the owner thereof to a tenant.

DEMONETISATION.—This is a technical term used to signify the falling away of a coin from its position of a legal tender to that of being merely a token. (See **TOKEN MONEY**.)

DEMURRAGE.—Demurrage may be defined generally as a compensation paid by the shipper of goods to the shipowner for delay in taking his goods on board, or out of the ship which carries them, whether under a charter party or bill of lading. The days which are given to the charterer in a charter party either to load or unload without paying for the use of the ship are the lay days; then days are sometimes given also in favour of the charterer which are called demurrage days. These are days beyond the lay days, but during which he has to pay for the use of the ship in a fixed sum. This fixed sum may be an agreed rate of compensation for every "day," "weather," "working day," or "hour," occupied in loading or unloading beyond the lay days. The word "demurrage," however, besides its strict meaning of an agreed compensation for delay in loading or discharging a ship, also includes damages becoming due to the shipowner for the detention of the ship in breach of the charter party or bill of lading; such damages may be in addition to demurrage proper, as when the ship is detained during all the agreed days on demurrage and longer, or they may be payable without any demurrage proper being due, if the charter party does not provide for days on demurrage. The term is also used, perhaps improperly, of detention of ships due to collisions, and their claims for compensation against the wrongdoer. Words have sometimes been introduced into the margin of a bill of lading, importing that the goods should be taken out of the ship within a certain time, or that, in default, a certain sum per day should be paid for every day afterwards; in such cases it has been decided that the person claiming and receiving the goods under the bill of lading is answerable for this payment; and this although he may not have received notice of the arrival of the ship within the time, for it is his duty to inquire for and watch the ship's arrival; or although, the bill of lading not having arrived in time, the merchant expecting the goods may have demanded, and the master may have refused to deliver them without the production of the bill

of lading, or of an indemnity, for the master has a right to insist on this.

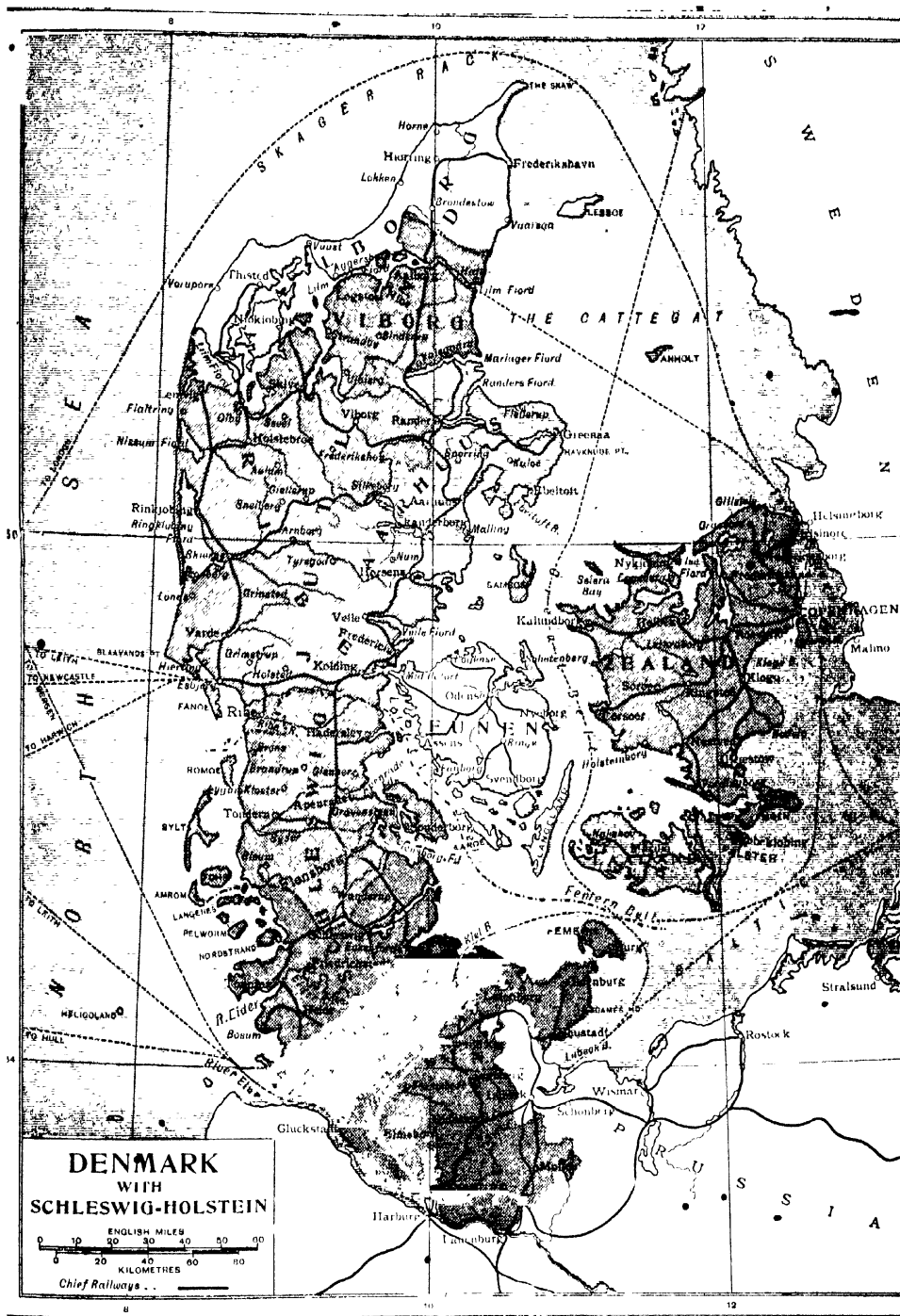
DENMARK.—Position, Area, and Population. The kingdom of Denmark is one of the smallest, weakest, least fertile, and least populous of European States. With its colonies it includes the Peninsula of Jutland; the islands of Zealand, Falster, Fünen, Laaland, Langeland, Erøe, Moen, and Samsøe partly blocking the entrance to the Baltic; Laesøe and Anhølt in the Kattegat; Bornholm in the Baltic; the Farøe Islands in the North Sea; Iceland (with an independent government, but owing the supremacy of the King) in the Arctic Ocean; and the Arctic Island of Greenland. Denmark proper, including the Farøe Islands, has an area of approximately 15,600 square miles, and a population of about 2,950,000. The country is largely an island kingdom, as its only land boundary (the frontier of Schleswig) is only 50 miles long. On the west the North Sea forms the boundary; on the east the Kattegat and Öre Sund, and on the north the Skager-rak.

It is not possible to state, at the date of going to press, what Denmark will gain in the shape of additional territory as the result of the Great War. The proposal is to allow the population of Schleswig to decide as to their future political position. The probability is that a part of it, at least, will revert to its former Fatherland. Full particulars will be set out in the Appendix.

Coast Line. The coast line is very long, but there are few good harbours. Unfortunately for the commerce of Denmark, the North Sea coast, whose harbours are never frozen, is, like that of Holland, low, dangerous, bordered by sand ridges and lagoons, subject to fogs, and liable to be flooded by the sea. The north end of Jutland is cut off by Lym Fjord, which was formed in 1825 by the sea breaking through the sand dunes. Danish fjords differ from those of Norway in having low and not high rocky sides. On the east the openings are deeper, and form good harbours. Copenhagen, Aarhus, and Aalborg are the chief ports. The Great Belt, the Little Belt, and the Sound divide up the country; and the possession of these sea-roads to the Baltic is still of great importance, though lessened somewhat by the construction of the Kiel Ship Canal. Vessels of large draught use the Great Belt; but the Sound, commanded by Copenhagen, is broad and deep enough for all the merchant shipping of the Baltic. The Little Belt is of no importance commercially or strategically.

Build. Denmark is the only European country which has no land over 600 ft. high; the highest point, Himmelsberg, where the Baltic mainland Highlands end, is only 560 ft. high. Jutland is, structurally, a continuation of the low North German Plain, and contains large areas of moor and bog, some of which have been reclaimed. The east of the mainland and the islands are somewhat hilly. There are many marshes and small lakes (meres), but there are no rivers of importance, and all are of necessity short, the longest, the Gudenaa, is only 90 miles long. The gentle slopes and undulations, however, render aid to agriculture and communication.

Climate. The climate, generally speaking, partakes of the western (oceanic) and eastern (continental) types of Europe. Long, severe winters are characteristic of the wind-swept Baltic slopes, which are exposed to the full violence of the Siberian winds, when the Baltic entrances are



obstructed with ice. Fogs are caused by the meeting of the warm south-west winds with the cold Baltic waters or with the eastern continental winds. The prevailing winds are from the west, and, therefore, moisture-laden, but the absence of mountainous tracts to form a condensing barrier results in a comparatively small rainfall. The fogs, however, are useful in providing moisture and enriching the pasture land. Summer temperatures are higher than those of England, while the winter temperatures are lower.

Soil. Sandy and peaty soils are common in Jutland, and chalky soils in the islands. Skilful cultivation has made these poor soils fertile, but they are naturally more suited to the pastoral industry than agriculture.

Productions and Industries. Agriculture. About 75 per cent. of the land is, to some extent, productive, and about half of this is cultivated. The farms are small, largely owing to the state of the law. Notwithstanding the difficulties under which the farmers labour, they raise good crops of wheat, barley, oats, rye, potatoes, flax, hemp, beetroot, and mixed grain.

The Pastoral Industry is of prime importance. Horses, cattle, sheep, goats, and pigs are reared in abundance. Dairy-farming and poultry-farming have brought wealth to Denmark, and nowhere else in the world have these industries reached such scientific perfection. The co-operative system is employed, and the Danish legislature, jealous of the high reputation of its butter, has empowered the Minister of the Interior to prohibit the exportation of artificial butter, whenever necessary.

Forestry. The beech forests, which once covered the land, are now of small extent, only 6 per cent. of the country being forested. In western Jutland, the wasteful destruction of forests has allowed the sand to spread inland, and thus some large tracts of useful land have been spoilt. Efforts are being made to redeem this land by the planting of firs, and fields of meagre rye may be seen.

The Fishing Industry. Fishing for herring, whiting, and cod in the North Sea waters is of considerable importance.

The Mining Industry is of very minor importance; coal is almost absent (a small amount is produced in Bornholm), and clay and peat are practically the only minerals.

The Carrying Trade. The Danes have always been good sailors, and their sea-carrying trade is an important source of wealth. It increased very largely during the Great War.

The Manufacturing Industries. Manufactures are very limited, owing to the lack of minerals, especially coal, and the want of water power. Much encouragement is given to local manufactures, however, as is shown by the flourishing condition of the Copenhagen Institute for the Encouragement of Danish Industry. Odense and Copenhagen have woollen factories, and Randers has glove factories. Danish porcelain, made from feldspar and quartz found at Kaolin in Norway, is renowned.

Communications. Roads are good, and railways traverse the peninsula from north to south. The "Belts" and the Sound provide good water communication, but interfere with road and rail traffic; a splendid ferry system, however, by which whole trains are carried from island to island, admirably overcomes the difficulty. Copenhagen, the centre of Danish life and trade, is linked by rail and ferry

with every port; and considering the size of the country other communications are excellent. Light railways traverse the land, and largely aid the dairy industry.

Commerce. The chief exports are butter, cattle, pigs, horses, pork, eggs, lard, hides, sheep, tallow, and gloves. Textiles and other manufactured goods, coal, colonial produce, tobacco, cereals, flour, and timber are imported. The country enjoyed great prosperity during the Great War. The commercial position of Denmark is advantageous only in respect of the sea traffic between the North Sea and the Baltic Sea, and ice in winter and the traffic through the Kiel Canal lessen the trade through the straits.

Trade Centres. The chief towns are the ports and railway centres. Copenhagen is the only town with a population exceeding 100,000; five others have populations exceeding 20,000.

Copenhagen (Kjøbenhavn, the Merchant's Haven, with suburbs, over 500,000), the capital, chief port, chief trade centre, chief seat of learning, and the city of spires and red roofs, is situated partly on the eastern coast of Zealand and partly on the little island of Amager. The channel, which bisects the city, affords admirable facilities for shipping. Its population has greatly increased within the last forty years. The "Constantinople of the North" possesses a university and a great museum of northern antiquities (Thorvaldsen collection). Its position, commanding the short route between the Baltic and the Kattegat, gives it great importance, and the establishment of train-ferry steamers between it and Malmö in Sweden swells its trade.

Aarhus (56,000), the largest mainland town, is an important port on the Kattegat, and commands the Great Belt. Its harbour is rarely blocked with ice, and its exports of cattle and dairy produce are great. The town has a general air of prosperity.

Odense (41,000), the birthplace of Hans Andersen, is an old, pretty, and clean town in the island of Funen. Its cathedral of St. Knud, the national saint, is a fine specimen of early pointed Gothic architecture.

Aalborg (32,000), on Lym Fjord, is a canal port, and an old and picturesque town. It is an important railway centre, and exports dairy produce.

Horsens (22,000) is a small port and railway centre.

Randers (21,000), in Jutland, on the Gudenaa, is a railway centre, and is engaged in the manufacture of gloves.

Elsinore (Helsingør), in Zealand, commands the Sound. Owing to its fine harbour and favourable situation, its population has greatly increased during the last twelve years. Up to 1857, Sound dues were collected here. Its Gothic castle of Kronborg is interesting for its connection with "Hamlet."

Korsør, in Zealand, is a packet station, and ferry port on the express route from Copenhagen to Kiel.

Frederikshavn, 20 miles from the Skaw, was formerly a small fishing village. It possesses a fine harbour of refuge, and now exports much dairy produce. It is noted for its oysters.

Esbjerg, on the west coast of Jutland, is a rising port, trading regularly with Harwich and London.

Roskilde, the ancient capital of Denmark, is an interesting old-world city, situated in Zealand on the Gjedser Warnemünde route to Berlin.

Fredericia, in the south of Jutland, is an important railway centre.

Skagen, on the Skaw, is a much-frequented sea bathing resort, with fine sands.

Suendborg is noted for its shipbuilding and distilleries.

Colonial Possessions. *Iceland*, a bleak and treeless island in the North Atlantic, just below the Arctic Circle, has an area of nearly 41,000 square miles and a population of approximately 90,000. It is noteworthy for its glaciers and ice-fields, its numerous active volcanoes (Oræfi Jokull and Mount Hekla), its geysers, its high plateaux, and its dreary deserts of rocks. Only about 1,000 square miles of the island are habitable, and fishing, pasturing, and a little mining are the chief occupations of the people. Reykjavik (13,000), on the south coast, is the capital. The chief exports are sheep, cattle, ponies, fish, eider-down, feathers, and sulphur.

The Farøes (Sheep Islands, area = 520 square miles), discovered by the Vikings about the middle of the ninth century, lie midway between the Shetlands and Iceland. The rocks are volcanic, and basaltic sheets are common. Sheep rearing, fishing, and sea-fowl hunting are the principal occupations of the sparse population (20,000). Thorshavn is the capital.

Greenland, a huge Arctic island, according to Danish returns has an ice-free area of 50,000 square miles, and a population of 14,000. Hunting and fishing occupy the inhabitants of the few settlements. The trade of Greenland is a State monopoly, and the exports consist of seal-oil, sealskins, bear and fox skins, eider-down, feathers, tusks of the narwhal, and whalebone.

Until 1917 Denmark possessed three islands in the West Indies: *St. Croix*, *St. Thomas*, and *St. John*. These three islands, with an area of about 140 square miles and a population (mainly freed negroes) of about 35,000, were chiefly engaged in the cultivation of the sugar-cane; but their prosperity had declined in recent years. In the year above mentioned they were purchased by the United States of America for a sum of £5,000,000, and great efforts are now being made to develop their undoubted natural advantages.

Mails are despatched in normal times twice a day from London to Denmark. The distance of Copenhagen from London is 728 miles, and the time of transit is about thirty-six hours.

DEPARTMENTAL ACCOUNTS.—This form of accounting is useful to show the results of the working of separate departments of a business, and necessitates a careful subdivision of the purchases, sales, and returns of goods, together with an allocation of the various expenses as between the departments. The information derived is highly important to the principals of a firm, enabling them to compare ratios of expenses, gross and net profits, and will occasionally lead to the discontinuance of an unprofitable department.

Stocks of Goods on hand. It will be necessary to have these taken and valued separately for each department, and it is advisable to have separate warehousing accommodation for same throughout the year. Frequently inter-departmental transactions take place, and appropriate books must be kept for recording them. Goods should only be transferred from one department to another when a note ordering same has been received, signed by a responsible official, and such notes should be carefully filed.

Purchases. Assuming that the size of the business does not warrant the use of separate purchase

books, invoices for goods bought should, on receipt, be checked and marked with the department to be charged, and then entered in a purchase book having total column and columns for each department. Columns should also be provided for the various classes of expenses, and a rule should be made that invoices or demand notes for expenses be passed through the purchase book in all cases, by which means uniformity of treatment and ease of reference are assured. In some cases it is possible to allocate some of the expenses to the different departments at once, which will necessitate columns in the purchase book for this purpose. Thus, in the cotton shipping business, packing done by outsiders for the firm is often charged separately as between departments.

Invoices should be numbered consecutively and filed, a column in the purchase book recording the number.

Sales. As orders are made ready for forwarding, slips should be made out in the departments for each lot of goods, a carbon copy being retained. These slips should be bound in book form, perforated, and of different colours. The slips should then be handed into the counting-house, sorted, so as to collect those for each firm together, and the invoices made out in carbon copy book. The latter, after being checked, should be entered, without detail, in a sales book having separate columns for departments, unless the magnitude of the business allows of separate books being used.

Purchase and Sales Ledgers. It is usually disadvantageous to make use of separate ledgers for each department, which would multiply the amount of ledger work, but it is always advisable to keep purchase ledgers separate from sales ledgers. Further, it is always convenient to have the transactions with one firm shown all together, and not scattered about in several ledgers.

Returns inwards and outwards will be recorded in separate books having columns for the different departments. Slips should be handed in to the counting-house by the departments for returns outwards, which should be from differently coloured carbon copy books. Credit notes received will be numbered and filed.

Returns inwards should also be notified to the counting-house by the same means, and debit notes should be filed.

Cash Book. A discount analysis book may be used so as to divide the discounts, both allowed and taken. Failing this, separate columns should be provided, suitable for cases where the departments are few, as in the specimen rulings.

Nominal Ledger. The various expenses shown in the nominal ledger will require careful apportionment, which is best done at the end of each period of trading. Rent and rates are best apportioned according to the floor space used by each department. Boxing, packing materials, and the like, should, if practicable, be apportioned as used by the different departments; and, if necessary, a stock-keeper should be placed in charge of same who will keep books to record the issue thereof. The total petty cash expended in respect of each department is best ascertained by providing separate columns for the departments in the petty cash book, those items not directly apportionable being entered in a column headed "sundries." Wages and salaries should be analysed, or, where advisable, the wages and salaries books may be ruled with analytical columns. Fire and burglary

PURCHASE BOOK

[illegible]

Note. This column to be analysed at end of period.

SALES BOOK[illegible]

Insurance premiums should be split according to the basis on which each department's stock is insured, and workmen's compensation insurances in the proportions shown by the analysis of wages and salaries.

Printing and stationery can, as far as regards items ordered for the use of different departments, be charged direct, or, if necessary, the stock should be in the hands of a stock-keeper. That used in the counting-house will be apportioned with counting-house expenses. Carriage, postage, and repairs can be analysed and charged accordingly. Travelling expenses may sometimes be fairly accurately divided, dependent upon circumstances, such as the number of departments represented by each traveller. Bank commission and counting-house expenses generally should be divided according to a ratio agreed upon by the principals. The apportionment of depreciation depends on circumstances, and is usually an unimportant item.

An interesting point arises where under a partnership deed certain of the partners are entitled to fixed shares of the net profits made by the departments in their charge. Where this occurs, and interest on capital is provided for under the deed, such interest, together with that payable on loans or to bank, may be split up on similar lines to the following—

Total interest on capital and loans.

Deduct interest at average rate on fixed assets.

Balance to be divided between departments in proportion to turnover.

The share of each department will then be measured by the interest on the fixed assets, if any, exclusively employed by that department.

Where separate trading accounts only are required, many of the above adjustments will not be necessary.

DEPARTMENT OF OVERSEAS TRADE.—(See BOARD OF TRADE, FUNCTIONS OF)

DEPARTMENTAL STORES, ORGANISATION

OF.—The departmental store is the most advanced and modern form of retail enterprise. Where successful it has almost invariably been built up on a scientific basis, and perfect organisation has invariably been the means by which its success has been achieved.

The owner of the single shop finds his enterprise on individuality, which, coupled with organisation and systematic trading, constant personal attention to the requirements of customers, together with an advantageous position, generally produces the results that the trader desires.

The departmental store, on the other hand, must achieve its success without the presence of that individuality which is so great an asset to the small trader. There is lacking the personality which is necessary to bring the customer again and again into the shop. The absence of this factor must be compensated for by perfection of organisation which must create an artificial individuality, and this is perhaps the greatest problem which the owner of such a store will be required to face. He is called upon to gauge his future customers' requirements to a nicety, and he must build up a trade, not out of casual sales to individuals who will never pass his shop again, but out of an ever-increasing number of permanent customers. He must be able to make the name of his stores as individual as that of the proprietor of a single shop living amongst his customers, and known to them as one of their townsmen.

Departmental stores may be divided into three

classes, although in truth there is no sharp dividing line; one class merging gradually into another. The first problem that faces the storekeeper is contained in the question "For whom am I going to cater?" For the class of persons who can and will afford luxuries, or for the general mass of the people who are willing to pay a fair price for a sound article, or, lastly, for the class that demands the cheapest of goods, and either cannot or will not afford any other. This classification which was adopted in an advertising article in an American publication, *Printers' Ink*, will no doubt appeal to the reader, who will be able to supply examples of each type of store from his own acquaintance with famous British departmental undertakings.

The question regarding *clientele* being answered, the next problem to be solved is the creation of individuality, and this is always a matter of organisation. It consists of creating in the mind of the shopper an atmosphere which is always associated with that particular store and no other; hence the atmosphere must be a pleasing one which will have the effect of making the casual shopper a permanent customer, and it will always be based on prompt and polite service, and the feeling that the whole establishment exists for the personal benefit of the individual customer, and not that the customer is allowed to exist for the benefit of the store.

Service consists of numerous elements all of which are the result of organisation. It is sometimes said that the success of a store depends upon advertising "backed by the goods and the service," but it is better to consider that service is a term including also goods and advertising. Service starts with the buyer, and the chief buyer of a departmental store must, first of all, be capable of taking the place of any salesman in the establishment.

It is much more important in organising a departmental store than in the organisation of a single shop that no article shall find a place in the store that has not a ready sale, nor has the departmental store the advantage that the chain store or multiple shop has, in that goods which fail to find purchasers have often to be sold at a loss, whereas in a chain stores goods unsuitable for one locality may go the round of the shops and find ready purchasers in another locality.

The history of all large departmental stores which have proved a success, whether in England, France, or the United States, indicates that, with very few exceptions, their foundation is to be found in the drapery business, which lends itself to unlimited extension. It is a well-known fact that the jeweller very rarely extends his business to include drapery and household furnishing; that the furniture dealer rarely extends to include departments beyond the provision of house furnishings in the shape of curtains, crotonnes, etc., but numerous examples can be quoted in which the draper has become a universal provider.

Perhaps a second type of expansion is to be found amongst grocers and provision merchants, who have extended, but rarely beyond, the requirements of the larder and kitchen. Few instances can be cited of the opening of a store as a departmental store, completely organised at its inception. Where such a case exists it will generally be found that it is merely the opening of a new branch departmental establishment by the owner of establishments already in existence which have been developed from the single shop.

Organisation, therefore, should be treated as a matter of growth, and the best organiser is the man who appreciates the fact that whilst he may be an excellent draper or grocer he cannot possibly have a complete knowledge of all the other undertakings that he wishes to add to his business. He will, in consequence, call to his assistance well-qualified men with a knowledge of the business in question; men who understand markets, who can gauge the requirements of customers and who know how the business should be run. Success will not come where departments are opened in a haphazard manner merely as side lines. A definite plan must first be formulated and the business must be erected accordingly to plan. Stores must be built up department by department, and the process must be accompanied by a division of responsibility. The one-man business will never prosper unless it is supported by departmental managers with complete freedom of development after broad outlines of policy have been indicated.

Aim of Stores. The ultimate aim of a departmental store should be to provide in one establishment the means for customers to satisfy all their requirements. The appeal made to the public is a matter of psychology, which is one of the most important factors in the business of selling as it is in the business of advertising. The stores make a decided appeal to the modern demand of the human beings for ease and comfort in all they do, and a well-organised business whether departmental or otherwise, will have for its aim "easy buying," and easy buying only comes where service is good and regular.

The owner of the business, in case of individual ownership, or the managing director in the case of a limited liability company, will be the central point around which the whole business is gathered. He is the connecting link between all departments. Immediately responsible to him will be the heads of the two main executive branches, namely, managerial and financial. The managerial control will be in the hands of a working general manager, to whom, in turn, the various technical heads of departments will be responsible.

On the financial side will be the general secretary and the accountant. These two offices may very conveniently be combined in one person, i.e., the secretary. Up to this point the question of departments has been left out of consideration, as general control of all departments is vested in the manager and the secretary.

We will now, however, consider the organisation of the departments, starting from the bottom and dealing with distribution first.

Organisation of Distribution. The first element in distribution organisation is the salesman who comes into direct contact with the customer. Each department will have its necessary quota of sales assistants; men and women; and with them will be trained the future salesman of the business, the apprentice. Their work will be co-ordinated by the shop-walker, or, as he is called in America, the reception clerk, who acts also, as a general rule, as a checker, his initials being required by some houses on all sales slips. The work of the shop-walkers or under-managers in each department is again co-ordinated by the departmental manager, finally responsible to the general manager for the success of his department, and as we have already indicated, having full responsibility apart from matters of broad policy for the conduct of the department.

Whilst salesmanship is of the greatest importance, bringing the customer into direct contact with the business and its commodities, there is much that goes on behind the scenes which is not seen by the public, but the control and efficiency of which may mean all the difference between success and failure. Proper choice of staff in the unseen branches of a huge business is an important matter, and amongst those who come under the control of the general manager will be the warehousemen and packers. It is the function of the person in charge of this department to see that orders in the various selling departments are properly co-ordinated, that no waste journeys are made, that goods are properly packed and promptly dispatched. Booked orders, when given personally and not through the post, including, as they often do, items from various departments, are sometimes delivered separately from each department. This is due to weak organisation and is wasteful in the extreme, and the making up of orders for delivery should be so organised that no waste of energy can possibly occur. In a smaller store, warehousing and delivery would come under one head. In a larger store, however, portage, carting and delivery, would be separated from warehousing. All costs in relation to warehousing and delivery would be apportioned on an equitable basis as between the various departments.

Financial and Secretarial Organisation. The work of receiving cash for purchases made generally devolves on young girls specially trained for this work. These pay or cash desk girls are responsible to the department cashier, who, in turn, is responsible to the chief cashier with his staff of confidential assistants. Sales on credit or charged to account are dealt with exactly as they will be dealt with in a single business, and when orders come through the post the staff in the chief cashier's office will be responsible for the analysis of the business into departments, each department being credited with the value of the goods sent out from that department. Usually, however, a large departmental store will find it necessary to create a mail order branch, in which case a separate department will be set up. The accounts of the mail order business will be kept separately for the purposes of statistical records, but may be analysed and credited to the various departments for the purposes of final accounts. The chief cashier is responsible directly to the secretary, unless the secretarial functions are divided into purely secretarial and accounting. The better plan, however, is to appoint an accountant responsible to the secretary, and this official will have responsibility in connection with the financial books.

An important part of the organisation of a large business is the making of statistical records. This is best done in the secretarial department and in the devolution of responsibility, the statistical branch is the first branch in which the distributive and financial sides of the business come into contact. The second point will be in the case of warehousing and delivery. The distributive side of the business is also the receiving side, and whilst buying and selling come under the general manager, the financial aspect of buying and selling is controlled by the secretary, the control being exercised through the warehouse. Hence, the warehouse is a point at which the two branches of business come together. Contact is again made in the person of the shop-walker, who acts as the checker between the salesman and the cash desk.

***Correspondence.** Correspondence will be opened in the office of the managing director, and from there it will pass through the managing director's office or through the secretary into the hands of the person who finally deals with it in the various departments or offices. Where there is a large bulk of correspondence owing to a mail order department being opened, mail order letters should be keyed, so that they may pass direct to the mail order department.

Duties of Staff. The duties of the various members of the staff below the general manager and secretary are exactly those which would devolve upon them in a single shop. The departmental manager is in the position of a manager of a shop responsible for buying and selling, and usually he has complete control. The assistants carry out their duties under his directions even although a staff manager may be appointed to look after their welfare apart from the actual business of selling. The duties of the warehousemen are those of the store-keeper of any concern, namely, the checking of goods inwards and outwards as to weights, quality and condition, and general agreement with invoices, and the passing of the necessary records to the financial side of the business.

Credit sales in each department are entered into a columnar day book which is passed each day from the departmental cashier to the chief cashier's office, and here the ledgers are posted, and where credit sales are numerous this involves the keeping of two day books used on alternate days. Cash takings in each department are returned to the chief cashier and the departmental cashiers' totals must correspond with the figures shown in the cash summary book in the chief cashier's office.

Miscellaneous. Important in the organisation of a large store is staff welfare, and this generally devolves either on a welfare supervisor or on a staff manager specially appointed for the purpose. Welfare includes proper provision of meals, organisation of recreation, and everything that is possible for the comfort of the assistants which is not second to the comfort of the customers. For the latter the more modern establishment provides tea-rooms, dressing-rooms, and some of the more advanced establishments make provision for entertainments, provide theatre ticket offices, and in the larger towns *bureau de change*.

DEPENDENCIES.—Although this term is, in general, applied to territories rather than to anything else, it has also a business meaning, and signifies assets which are likely to accrue, but which cannot at present be determined with exactitude. Such assets are the possible profits arising out of an adventure or a partnership, dividends to be received on stocks and shares, etc.

DEPONENT.—The person who makes an affidavit (*q.v.*).

DEPORTATION.—For centuries Great Britain has been the most hospitable of nations in permitting the free immigration of foreigners, irrespective of nationality or creed. This privilege, like every other privilege, has been greatly abused, and by the end of the nineteenth century it became necessary for the British authorities to consider the question of the unrestricted influx of foreigners. Certain restrictions were first imposed by the Aliens Act, 1905, and these restrictions have since been increased, especially since the Great War, by an Act passed in 1919, in respect of those aliens who have been amongst our former enemies. But in

any case, when an alien has been admitted into this country the Legislature has provided that in certain cases he may be removed, or deported. Thus, if an alien is convicted of one or more of certain offences, the condemning judge or magistrate may recommend that he shall be deported. The judicial authority can do no more than recommend this drastic procedure; the final decision lies with the Home Secretary. If he assents, the alien must depart; if, on the other hand, he takes no action, the recommendation as to deportation is of no effect. The chief provisions of the Aliens Restriction (Amendment) Act, 1919, touching this subject are set out in the Appendix.

DEPOSIT.—There are three senses in which this word is used. It signifies—

(1) Goods or securities which are placed by one person under the care of another for safe custody. With this meaning, it is a shortened form of "depositum," one of the six classes of bailment (*q.v.*).

(2) Money which is placed by one person in the hands of another as the security for the carrying out of the terms or conditions of an agreement, or in part payment on a sale, or as earnest money to bind a contract. Thus, whenever a sale of land takes place, it is generally one of the conditions of sale that the purchaser shall pay down a deposit, frequently 10 per cent., on account of the purchase price. This deposit keeps the purchaser to his contract, for if he cries off or refuses to complete, the vendor is entitled to retain the sum paid. And so strict is this rule, that not even the trustee in bankruptcy can reclaim the deposit if the purchaser is unable to complete his bargain through bankruptcy proceedings being taken against him subsequently to the actual date of the contract of sale.

(3) Money lodged with a banker at a fixed rate of interest, either as a permanent investment or for some definite period. (See **DEPOSIT ACCOUNT**.)

(4) Title deeds handed over as a security for a loan, these constituting what is called an equitable mortgage (*q.v.*), when there is no writing in existence to satisfy the Statute of Frauds (*q.v.*).

DEPOSIT ACCOUNT.—Instead of having a current account, or another account in addition to a current account, a person may leave in the hands of a banker sums of money which can only be withdrawn upon a certain number of days' notice. Upon this account, interest is allowed at rates which vary with different banks.

When money is left on deposit, the depositor takes a bank's deposit receipt for the same, though in some districts a special pass book is issued, as being less likely to be lost. This book is frequently practically the same as that issued by the Post Office Savings Bank. Each item in the book is initialled by the cashier receiving the money or making a payment, and the book must be produced each time a transaction takes place. A pass-book of this kind usually carries, in bold type, some such heading as the following: "Moneys in this account bear interest, and are subject to days' notice when withdrawn. Interest to cease when notice is given. No payment will be made ~~except~~ upon production of this book."

DEPOSIT BILL.—The document given when snuff is abandoned and delivered up to the Crown. Full particulars are given as to the snuff to be abandoned, and the document is lodged at the Customs at the port of deposit. With it there is

also lodged a signed statement that on receipt of the drawback (*q.v.*), it is intended to abandon the snuff to the Crown.

DEPOSIT RATE.—This is the rate of interest allowed by bankers and others upon sums of money placed with them upon deposit. In some cases the rate of interest is fixed, but at most London banks, and also at many country banks, the rate paid varies according to the Bank Rate (*q.v.*).

DEPOSIT RECEIPT.—This is a receipt given by bankers and others, when money is deposited with them, either at call or upon notice, and in it is specified the length of the notice to be given and the rate of interest payable. The form of deposit receipt used by bankers differs considerably, but in some shape or other it generally conforms to the above requisites. A deposit receipt is not a negotiable instrument, and a banker is liable if he pays out the money to any person other than the rightful owner.

DEPOSITOR.—The person who places money upon deposit.

DEPOT.—A place where goods are placed for safe custody. The word is sometimes used to denote a store or warehouse, a military station, or a railway terminus.

DEPRECIATION.—Depreciation is the name given to loss in value of assets through wear and tear, supersession, obsolescence, termination of the work on which they are employed, rise and fall in value by market fluctuations, etc.

As causes giving rise to depreciation of assets occur in many businesses which are peculiar to the particular business, no fixed rules can be laid down for its computation, but in regard to the assets which are ordinarily used, the following points should always be considered—

- (a) The original cost.
- (b) Amount spent on repairs.
- (c) Probable life of the asset.
- (d) Present market value.
- (e) Break-up or residual value.

The break-up value is the scrap value less cost of breaking up, and is of a very fluctuating nature, e.g., light machinery, the value of which lies in the fineness of the workmanship, will only carry a very low break-up value, but heavy machinery, the value of which lies more in the quantity of material it embodies, will carry a high break-up value.

The computation of depreciation is usually made by one of the following methods—

- (a) By writing off an equal proportion of cost each period;
- (b) By writing off a fixed rate per cent. on diminishing balances;

this being a satisfactory method in many cases, as by its adoption regard is had to the question of repairs, which are light in the earlier years, when the amount of depreciation is greatest, and high in the later years, as the amount of depreciation becomes lighter.

(c) By the "Annuity" method, by which interest is charged to the debit of the asset on diminishing balances, and by period, on the ground that had the amount been invested otherwise than in the asset it would have had an earning capacity, and that, therefore, the interest on the cost of the asset is an expense on account of its use as distinct from an expense against the business as a whole; and then providing for the original value and such

interest being written off by equal periodic instalments.

(d) By revaluation of the asset, the difference being written off against profit.

The percentages written off should be such that the asset will be extinguished by the time it is valueless, or reduced to the break-up value by the time at which it is considered it will be necessary to replace it, and under methods (a) and (b) a revaluation should be made every few years, in order to determine whether the rate of depreciation adopted should be adhered to, increased, or diminished.

In all cases the asset should be kept in a good state of repair out of revenue.

On pp. 553-555 are the accounts of various assets, showing how they would appear adopting methods (a), (b), and (c) respectively, the computations for the more intricate rates being made by the use of logarithms or derived from interest tables.

The following are usual rates of depreciating various assets, assuming that a business is working ordinary hours when considering those used in production—

Freehold Land and Buildings. 1 per cent. on reducing values, much depending upon the location of the property, whether the surroundings have a tendency to increase or diminish the value, and the amounts spent on repairs and upkeep.

Leasehold Properties. In dealing with this, consideration must be given to the fact that at the termination of the lease the property, together with any plant, machinery, etc., attached thereto, become the landlord's; and the lease usually stipulates that the property must be handed over to him in a fair state of repair.

Hence the following must be considered separately—

(a) The premium paid for the lease, which is best depreciated by the "Annuity" method.

(b) The cost of plant, machinery, etc., attached, which should be written down in the usual way, its life being taken as the period of the lease.

(c) Necessary expenditure of putting the premises in the condition required by the lease on its termination, which should be provided for by the creation of a sinking fund of adequate amount, the debit being made to the lease premium account and taken to profit and loss account as part of the annual cost of the lease.

Patterns and Moulds. By re-valuation, or 25 per cent. to 33⅓ per cent. on reducing balances.

Loose Tools. By re-valuation.

Machinery and Plant. *Engines*, 10 per cent. to 12½ per cent. on reducing balances, much depending upon whether they are portable or stationary.

Boilers. 12½ per cent. to 20 per cent. on reducing balances, much depending upon whether they are high or low pressure, quality of water used, and any other special factors which may come into operation.

Driving Gear. 7½ per cent. on reducing balances.

General Machines. 5 per cent. to 7½ per cent. on original cost, or 7½ per cent. on reducing balances, unless subject to a lease or used for a special contract or venture.

Furniture and Fixtures. 5 per cent. to 7½ per cent. on diminishing values.

Rolling Stock. *Locomotives*. 10 per cent. on original cost.

Wagons. 7½ per cent. on reducing balances, these requiring an extraordinary amount of repair which keeps up the value.

Machinery and Plant Account.

Depreciated at 10 per cent. per annum on original cost written off annually, so extinguishing the cost in ten years.

							Cr.						
				£	s	d.					£	s.	d.
1919.							1919						
Jan. 1	To Cash	..	..	9,450	0	0	Dec 31	By Depreciation	..	..	945	0	0
							" "	" Balance c/d	..	..	8,505	0	0
				£9,450	0	0					£9,450	0	0
1920.							1920.						
Jan. 1	To Balance b/d	..	..	8,505	0	0	Dec. 31	By Depreciation	..	..	945	0	0
							" "	" Balance c/d	..	..	7,560	0	0
				£8,505	0	0					£8,505	0	0
1921.							1921.						
Jan. 1	To Balance b/d	..	..	7,560	0	0	Dec. 31	By Depreciation	..	..	965	17	6
Mar. 16	" Cash	..	..	208	15	0	" "	" Balance c/d	..	..	£6,802	17	6
				£7,768	15	0					7,768	15	0
1922													
Jan. 1	To Balance b/d	..	..	6,802	17	6							

Machinery and Plant Account.

Depreciated by equal annual instalments to leave a residual value of £250 at the end of five years.

Dr.							Cr.						
1919.				£	s.	d.	1919				£	s.	d.
Jan. 1	To Cash	..	..	3,000	0	0	Dec. 31	By Depreciation	..	..	550	0	0
							" "	" Balance c/d	..	..	2,450	0	0
				<u>£3,000</u>	0	0					<u>£3,000</u>	0	0
1920							1920.						
Jan. 1	To Balance b/d	..	..	2,450	0	0	Dec. 31	" Depreciation	..	..	550	0	0
							" "	" Balance c/d	..	..	1,900	0	0
				<u>£2,450</u>	0	0					<u>£2,450</u>	0	0
1921.							1921.						
Jan. 1	To Balance b/d	..	..	1,900	0	0	Dec. 31	By Depreciation	..	..	550	0	0
							" "	" Balance c/d	..	..	1,350	0	0
				<u>£1,900</u>	0	0					<u>£1,900</u>	0	0
1922.							1922						
Jan. 1	To Balance b/d	..	..	1,350	0	0	Dec. 31	By Depreciation	..	..	550	0	0
							" "	" Balance c/d	..	..	800	0	0
				<u>£1,350</u>	0	0					<u>£1,350</u>	0	0
1923.							1923						
Jan. 1	To Balance b/d	..	..	800	0	0	Dec. 31	By Depreciation	..	..	550	0	0
							" "	" Balance c/d	..	..	250	0	0
				<u>£800</u>	0	0					<u>£800</u>	0	0
1924.													
Jan. 1	To Balance b/d	..	..	250	0	0							

Fittings and Fixtures Account.

Depreciated annually at 5 per cent. per annum on diminishing balances.

Dr.				Cr.			
		£	s. d.			£	s. d.
1919.		729	10 0	1919.		36	9 6
Jan. 1	To Cash			Dec. 31	By Depreciation	693	0 6
				" "	" Balance c/d		
		£729	10 0			£729	10 0
1920.		693	0 6	1920.		34	13 0
Jan. 1	To Balance b/d			Dec. 31	By Depreciation	658	7 6
				" "	" Balance c/d		
		£693	0 6			£693	0 6
1921.		658	7 6	1921.		33	18 7
Jan. 1	To Balance b/d			Dec. 31	By Depreciation	644	13 8
May 15	" Cash	20	4 9	" "	" Balance c/d		
		£678	12 3			£678	12 3
1922.		644	13 8				
Jan. 1	To Balance b/d						

Machinery and Plant Account.

*Depreciated annually on diminishing balances to leave a break-up value of £250 at the end of five years.
Rate of Depreciation, 39·1634 per cent.*

Dr.				Cr.			
		£	s. d.			£	s. d.
1919.		3,000	0 0	1919.		1,174	18 0
Jan. 1	To Cash			Dec. 31	By Depreciation	1,825	2 0
				" "	" Balance c/d		
		£3,000	0 0			£3,000	0 0
1920.		1,825	2 0	1920.		714	15 5
Jan. 1	To Balance b/d			Dec. 31	By Depreciation	1,110	6 7
				" "	" Balance c/d		
		£1,825	2 0			£1,825	2 0
1921.		1,110	6 7	1921.		434	16 10
Jan. 1	To Balance b/d			Dec. 31	By Depreciation	675	9 9
				" "	" Balance c/d		
		£1,110	6 7			£1,110	6 7
1922.		675	9 9	1922.		264	10 11
Jan. 1	To Balance b/d			Dec. 31	By Depreciation	410	18 10
				" "	" Balance c/d		
		£675	9 9			£675	9 9
1923.		410	18 10	1923.		160	18 10
Jan. 1	To Balance b/d			Dec. 31	By Depreciation	250	0 0
				" "	" Balance c/d		
		£410	18 10			£410	18 10
1924.		250	0 0				
Jan. 1	To Balance b/d						

Lease Premium Account.

Cost £2,500 for ten years, written down by equal annual instalments, with interest at 5 per cent.
per annum on diminishing balances.

Dr.				Cr.			
		£	s. d.			£	s. d.
1919.				1919.			
Jan. 1	To Cash	2,500	0 0	Dec. 31	By Depreciation	323	15 2
Dec. 31	„ Interest	125	0 0	„ „	„ Balance c/d	2,301	4 10
		£2,625	0 0			£2,625	0 0
1920.				1920.			
Jan. 1	To Balance b/d	2,301	4 10	Dec. 31	By Depreciation	323	15 2
Dec. 31	„ Interest	115	1 3	„ „	„ Balance c/d	2,092	10 11
		£2,416	6 1			£2,416	6 1
1921.				1921.			
Jan. 1	To Balance b/d	2,092	10 11	Dec. 31	By Depreciation	323	15 2
Dec. 31	„ Interest	104	12 6	„ „	„ Balance c/d	1,873	8 3
		£2,197	3 5			£2,197	3 5
1922.				1922.			
Jan. 1	To Balance b/d	1,873	8 3	Dec. 31	By Depreciation	323	15 2
Dec. 31	„ Interest	93	13 5	„ „	„ Balance c/d	1,643	6 6
		£1,967	1 8			£1,967	1 8
1923.				1923.			
Jan. 1	To Balance b/d	1,643	6 6	Dec. 31	By Depreciation	323	15 2
Dec. 31	„ Interest	82	3 4	„ „	„ Balance c/d	1,401	14 8
		£1,725	9 10			£1,725	9 10
1924.				1924.			
Jan. 1	To Balance b/d	1,401	14 8	Dec. 31	By Depreciation	323	15 2
Dec. 31	„ Interest	70	1 9	„ „	„ Balance c/d	1,148	1 3
		£1,471	16 5			£1,471	16 5
1925.				1925.			
Jan. 1	To Balance b/d	1,148	1 3	Dec. 31	By Depreciation	323	15 2
Dec. 31	„ Interest	57	8 1	„ „	„ Balance c/d	881	14 2
		£1,205	9 4			£1,205	9 4
1926.				1926.			
Jan. 1	To Balance b/d	881	14 2	Dec. 31	By Depreciation	323	15 2
Dec. 31	„ Interest	44	1 9	„ „	„ Balance c/d	602	0 9
		£925	15 11			£925	15 11
1927.				1927.			
Jan. 1	To Balance b/d	602	0 9	Dec. 31	By Depreciation	323	15 2
Dec. 31	„ Interest	36	2 0	„ „	„ Balance c/d	308	7 7
		£632	2 9			£632	2 9
1928.				1928.			
Jan. 1	To Balance b/d	308	7 7	Dec. 31	By Depreciation	323	15 2
Dec. 31	„ Interest	15	7 7			£323	15 2
		£323	15 2				

Horses. If few in number, should be re-valued each period of balancing; if many, they may be either re-valued or depreciated, an amount of about 15 per cent. in this case equalising with the average loss on re-valuation.

Patents. Written off over life by equal periodical instalments

Copyrights. These are granted for a period of years as shown in the article on Copyright (*q.v.*), and varying according to the subject matter of the same. The change in the length of the copyright was made by the Copyright Act of 1911. They should be written down according to the nature and sale of the work.

Goodwill. By writing off as rapidly as possible, it never being safe to regard it as of permanent value, although its actual value may be retained or increased.

Company Formation Expenses. Usually written off over three, five, or seven years.

Casks, Bottles, etc. By re-valuation.

Crockery, Table Linen, etc. By re-valuation.

Shares, Bonds, etc. Cost price is retained unless the value has fallen, and then they are depreciated according to the state of the market. If the cost is unlikely to be recouped, the difference should be written off, and if appreciation has taken place which is likely to be permanent, a special reserve fund should be created in respect thereof.

• **DEPRECIATION, ASSETS AFFECTED THEREBY.—Method of treating Depreciation.** Depreciation may be said to be the diminution in value of an asset consequent upon wear and tear, obsolescence, effluxion of time, permanent fall in market value, etc.

The loss by reason of wear and tear is obviously inherent in all assets which are more or less constantly in use. It has been said that where, for instance, machinery is kept running night and day by a system of double shifts, the life of such machinery is considerably less than half that of similar machinery employed for one shift only.

The risk of obsolescence to machinery in some businesses is very considerable, as, for instance, certain branches of the leather and cotton trades.

An instance of assets on which the depreciation is governed by effluxion of time occurs in the case of Leasehold Property. If the life of the buildings erected upon the land is estimated to be shorter than the term of the lease, the buildings should be depreciated at a proportionately higher rate; but if the buildings are expected to last for a longer period than the term of the lease, the value of both lease and buildings should be depreciated according to the number of years unexpired, as the lessor will claim the buildings as well as the land on expiry. Under most leases the clause making the lessee liable for dilapidations will also affect the rate of depreciation, and the probable cost of same must be estimated.

The contingency of a permanent fall in market value is difficult to foresee, and is, therefore, the factor most likely to be wrongly estimated.

Other assets presenting great difficulty are Patents, and Patterns (in the engineering trade). Where a patent is brought out by a firm, as distinct from the purchase of a patent, the consequences of the use of too low a rate of depreciation are not so serious, as the book value of the patent under such circumstances will usually be low, consisting only of the cost of Experiments, Patent Fees, Patent Researches, and the like. Where, however, a patent is purchased at a

relatively high figure, liberal depreciation should be provided, especially if the patent has not been previously worked. In any case, the difficulty is to foresee the length of time during which the patented article is likely to hold the market, and as the great bulk of patents do not prove even an initial success, the legal term of fourteen years, with possible renewal for a further seven years, has a bearing only where the article has a permanent sale. One can only conclude, therefore, that it is safer to write off as high a percentage as a sanguine board of directors will approve. Some small assistance may be drawn from the proofs of reliability and originality which the purchasing firm would naturally require before buying the Patent Rights.

Patterns (of wood or metal) are in some respects similar to Patents as regards depreciation, as they depend on the continued sale of the particular article. A very high rate of depreciation, from 20 per cent. to 33½ per cent. per annum, or more, should, therefore, be employed.

Freehold Land ordinarily does not depreciate, but in certain localities has been known to fluctuate in value. Buildings, Fencing, etc., erected thereon should be depreciated at a low rate.

Goodwill cannot be said to depreciate. It is an intangible asset, and its value in the books of a firm should represent the price paid for it, subject to any amount written off. An amount passed through in reduction of the book value of Goodwill should never be styled depreciation, but "Amount written off Goodwill."

The methods of treating depreciation in the books of a mercantile concern are—

(1) By writing a percentage or a fixed sum off the original cost of the asset at the end of each period, which sum is debited to profit and loss account. See example (1) on next page.

(2) By writing a percentage off the diminishing value of the asset at the end of each period, and debiting same to profit and loss account. In this case the value of the asset as brought down in the books from the last period of trading will be the basis on which the percentage will be taken. As such value is, subject to additions in the way of purchases, a constantly decreasing one, this method is stated to be advantageous in that the burden against the profit and loss account is heaviest during the early years of the life of the asset, when the cost of repairs is comparatively light. See example (2) on next page.

(3) By re-valuing the asset at the end of each period or term of periods in the manner of stock-taking and writing off the diminution in value thus shown. This method is usually adopted with such assets as Loose Tools (in the engineering and other trades). In theory, the employment of a professional valuer to prove the correctness of the depreciations written off the various assets is sound, and in practice this is very useful in regard to Plant and Machinery, provided that the previous policy of the particular firm in regard to the capitalisation or otherwise of the various additions necessitated by business is borne in mind, as also the cheapness or dearness, as shown by experience, of the original purchases of plant and machinery. In fact, it is necessary to have a well-defined plan for the treatment of renewals if the rates of depreciation are to be accurate, and such plan should never be departed from except under extraordinary circumstances.

(4) By the annuity method, suitable for leases,

Example (1)—

<i>Dr.</i>		OFFICE FURNITURE, FITTINGS, ETC.			
1919		1919			
Jan. 1.	To Cash.. ..	£48 10 0	Dec. 31.	By Depreciation at the rate of 5 per cent. per annum on cost	£2 8 6
			" "	" Balance	46 1 6
		<u>£48 10 0</u>			<u>£48 10 0</u>
1920		1920			
Jan. 1.	To Balance	£46 1 6	Dec. 31.	By Depreciation 5 per cent. on cost £48 10s. ..	£2 8 6
			" "	" Balance	43 13 0
		<u>£46 1 6</u>			<u>£46 1 6</u>
1921					
Jan. 1.	To Balance	43 13 0			

Example (2)—

<i>Dr.</i>		OFFICE FURNITURE, FITTINGS, ETC.		<i>Cr.</i>	
1919		1919			
Jan. 1.	To Cash	£48 10 0	Dec. 31.	By Depreciation at 5 per cent. per annum	£2 8 6
			" "	" Balance	46 1 6
		<u>£48 10 0</u>			<u>£48 10 0</u>
1920		1920			
Jan. 1.	To Balance	£46 1 6	Dec. 31.	By Depreciation 5 per cent. on £46 1s 6d. ..	£2 6 1
			" "	" Balance	43 15 5
		<u>£46 1 6</u>			<u>£46 1 6</u>
1921					
Jan. 1.	To Balance	43 15 5			

by which the asset is debited with interest each period, thus being at a fair rate, calculated on the balance brought forward on the asset account from the last period, and being credited to profit and loss account. At the same time, the amount of depreciation is credited to the asset account and debited to profit and loss account. The amount of depreciation should be constant and schemed so as to reduce the value of the asset to nil at the end of the term or life.

Example of Ledger Account of Lease, showing treatment during last three years of term.* This is shown on the next pages. The figures there given will illustrate the working.

This method is designed to bring to the notice of a person or firm the loss of interest consequent upon the acquisition of a fixed asset, and is, therefore, best employed where the asset might have been acquired either by hire or similar terms, or, as in the case of a lease, by a yearly rental. The principals are then in a position to judge precisely what has been saved by the absolute purchase.

(5) By the sinking fund method, so-called by reason of its being similar to the procedure adopted by municipal bodies to provide for the repayment of loans. Under this method, an amount is debited to profit and loss account at the end of each period and credited to a depreciation account. At the same time, an equivalent amount is invested

in specific marketable securities, this being credited to bank and debited to an account for "Investments on Depreciation Account." As interest or dividend is received it is re-invested and credited to depreciation account, so that the credit balance on the latter account is always equal in amount to the debit balance on the "Investments on Depreciation Account." The instalment for depreciation is constant, and is so schemed that, at the end of the life of the asset, sufficient funds are available, together with the residual value, to purchase afresh.

Example. A manufacturer buys machinery costing £10,000. He estimates the life of the same to be four years and the residual value £1,000. Interest earned on the investment 2½ per cent. per annum.

Note.—The figures on page 558 are, for the purpose of illustrating first principles, based on the assumptions that the investment realises exactly at book figures, and that the last item of interest is actually re-invested, which would not occur in practice. Income tax has been omitted from the calculations.

It is in the option of the book-keeper, except under the Annuity and Sinking Fund methods, either to write the amount of depreciation each period off the asset account, or to raise a depreciation account as a credit account. In case the latter is adopted, and for financial reasons it is thought best to purchase securities to represent same, it is usual to add the word "Fund" so as to show in

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Dr.		LEASE ACCOUNT.						Cr.	
1919						1919			
Jan. 1.	To Balance	£1,000	0	0	Dec. 31.	By Depreciation	£367	4	2
Dec. 31.	„ Interest at 5 per cent.	50	0	0	„ „	„ Balance	682	15	10
		<u>£1,050</u> 0 0						<u>£1,050</u> 0 0	
1920						1920			
Jan. 1.	To Balance	£682	15	10	Dec. 31.	By Depreciation	£367	4	2
Dec. 31.	„ Interest at 5 per cent.	34	2	9	„ „	„ Balance	349	14	5
		<u>£716</u> 18 7						<u>£716</u> 18 7	
1921						1921			
Jan. 1.	To Balance	£349	14	5	Dec. 31.	By Depreciation	£367	4	2
Dec. 31.	„ Interest at 5 per cent.	17	9	9					
		<u>£367</u> 4 2							

<i>Dr.</i>	DEPRECIATION ACCOUNT.				<i>Cr.</i>
	1918				
	Dec. 31.	By Profit and Loss A/c	£2,167	7	3
	1919				
	Dec. 31.	„ Interest	54	3	8
	„ „	„ Profit and Loss A/c ..	2,167	7	3
	1920				
	Dec. 31.	„ Interest	109	14	5
	„ „	„ Profit and Loss A/c ..	2,167	7	3
	1921				
	Dec. 31.	„ Interest	166	12	11
	„ „	„ Profit and Loss A/c ..	2,167	7	3
1921					
Dec. 31.	To Machinery Account ..	£9,000	0	0	
			£9,000	0	0

<i>Dr.</i>		INVESTMENT ACCOUNT.		<i>Cr.</i>	
1918					
Dec. 31.	To Cash	£2,167	7 3		
1919					
Dec. 31.	„ Interest re-invested ..	54	3 8		
„ „	„ Cash	2,167	7 3		
		<u>4,388</u>	<u>18 2</u>		
1920					
Dec. 31.	To Interest re-invested ..	109	14 5		
„ „	„ Cash	2,167	7 3		
		<u>6,665</u>	<u>19 10</u>		
1921					
Dec. 31.	To Interest re-invested ..	166	12 11		
„ „	„ Cash	2,167	7 3		
		<u>£9,000</u>	<u>0 0</u>		
				1921	
				Dec. 31.	By Cash £9,000 0 0

<i>Dr.</i>		MACHINERY ACCOUNT.		<i>Cr.</i>			
1918		1921					
Jan. 1.	To Cash	£10,000	0 0	Dec. 31.	By Depreciation Account	£9,000	0 0
				" "	" Cash (for Residual Value of Machinery now sold) ..	1,000	0 0
		<u>£10,000</u>	<u>0 0</u>			<u>£10,000</u>	<u>0 0</u>

the private ledger and the balance sheet, as "Depreciation Fund."

DERELICT.—Derelict is a term applied to a ship or her cargo which is abandoned and deserted at sea by those who were in charge of it, without any hopes of recovering it, or without any intention of returning to it. Whether property is to be adjudged derelict is determined by ascertaining what was the intention and expectation of those in charge of it when they quitted it. If those in charge left with the intention of returning, or of procuring assistance, the property is not derelict, but if they quitted the property with the intention of finally leaving it, it is derelict, and a change of their intention and an attempt to return will not change its nature. Derelicts found at sea and brought into a British port are droits of Admiralty if not claimed by their owners within a year and a day. Derelicts found or taken possession of on or near the coasts of the United Kingdom, or in any tidal water within the limits of the United Kingdom, are "wreck" within the scope of the Merchant Shipping Act, 1894, and are subject to the provisions of that Act relating to wreck. Every master or person in command of a British ship who becomes aware of the existence on the high seas of any floating derelict vessel must notify the same to the Lloyd's agent at his next port of call or arrival. Salvage is payable to persons bringing derelicts into safety, whether their owners appear to claim them or not; and is given on a more liberal scale than in ordinary cases of salvage.

DESATINE.—(See FOREIGN WEIGHTS AND MEASURES—RUSSIA.)

DESERTED PREMISES, RECOVERY OF.—At Common Law, the fact that a tenant deserted premises let to him during the continuance of the demise was no ground for the landlord taking possession thereof; and, therefore, the landlord, having no distress upon which to levy, was often placed in a very unfavourable position, especially if the tenant was a person of no substance.

The subject has, therefore, at various times, received the attention of the legislature. The matter was first dealt with by Section 16 of the Distress for Rent Act, 1737, which, after reciting that landlords were often great sufferers by tenants running away in arrear and not only suffering the demised premises to lie uncultivated without any distress thereon, but also refusing to deliver up possession, thereby putting the landlords to the expense and delay of recovering in ejectment, proceeds to enact that if any tenant holding any lands, tenements, or hereditaments at a rack rent or at a reserved rent of full three-fourths of their yearly value, who shall be in arrear for one year's rent, shall desert the premises and leave them uncultivated or unoccupied, so that no sufficient distress can be found to counterbalance arrears of rent, it shall be lawful for two justices (or, now, a stipendiary magistrate) of the county, riding, division, or place, at the request of the landlord or his bailiff, or receiver, to go upon and view the premises and to affix on the most notorious part notice in writing, what day (at a distance of at least fourteen clear days) they will return to take a second view; and if on such second view the tenant does not appear and pay the rent in arrear, or there is not sufficient distress on the premises, the justices may put the landlord into possession, and the lease thenceforth becomes void as to any demise. It will be observed that the lease only becomes void as to the demise and not for all purposes, and, therefore, the tenant

is still personally liable for rent and antecedent breaches of covenant.

The provisions of this statute were amended by an Act passed in the year 1817, which enacts that the provisions of the main Act shall have effect whenever the tenant is in arrear for half a year, instead of one year; and in cases where the tenant holds such premises under any demise or agreement, whether written or verbal, and although such demise or agreement does not give the landlord a power of re-entry in case of non-payment of rent. Certain of these provisions require further consideration. It has been held, in the first place, that the justices may act, as the statute provides, on the "request" of the landlord, though the request may not be on oath, and that a landlord is not disentitled to proceed under this statute because he has an unsatisfied judgment for half a year's rent. When the justices do act, they must be satisfied upon their own view that the premises are deserted, that they have been left uncultivated or unoccupied so that no sufficient distress can be found to counterbalance the arrears of rent, and that the rent reserved is a rack rent or three-fourths of the yearly value of the premises.

Desertion and absence of distrainable goods are questions of fact and common sense. Thus, in one case, the tenant had ceased for several months to reside on the premises, and had become bankrupt, his assignees declining to take over the lease. When the justices viewed on the first occasion, the tenant's servant was there to show them the premises; and there were upon the premises distrainable goods, though far from sufficient to meet the rent due. On the second visit, two persons were found painting the house for the tenant, and it appeared that the landlord was at every stage acquainted with his whereabouts. On these facts the Court of King's Bench considered that a stronger case of desertion could hardly be suggested, that there was no sufficient distress, that the servant's possession was merely colourable, and that the justices had properly made an order. On the other hand, in a case where the wife and children of the tenant remained on the premises, but there was no furniture in the house except three or four chairs, stated by the wife to belong to a neighbour, it was held that the premises had not been deserted within the meaning of the Act. As to the annual value of the premises, the justices may properly call in on this point the evidence of an expert, e.g., a surveyor, but they ought to form their own conclusion. After putting the landlord into possession, the justices should make a record of what they have done, in which they should state all the circumstances giving them jurisdiction, and show that they have observed the directions of the statute. Such record will then be conclusive, and protect the justices and their officers from any action of trespass, though it will, of course, be no protection to the landlord if he has, by false information, wrongfully procured the interference of the justices, nor would it protect the justices from a criminal information, if it could be shown that they had acted corruptly. Although the proceedings, just outlined, before the justices are of a harsh and summary description, the tenant is not without remedy, for he may, as already mentioned, bring an action against a landlord who has falsely informed the justices, or he may avail himself of the remedy given by Section 17 of the Act, which provides that any decision of justices under it is to be examinable in a summary way by the next

judges of assize of the county in which the premises lie, who can order restitution to be made to the tenant, and who has a discretionary power to allow him costs against the landlord. A poor tenant runs no great risk by thus appealing, for in the event of failure of the appeal, the Act expressly limits the amount of costs that may be recovered against the appellant to the sum of £5. The judge's order should be directed to the justices from whom the appeal comes, otherwise if they decline to compel restitution to be made, one cannot obtain a mandamus against them.

Procedure in London. The sketch already given of the subject refers to the law and procedure in the country generally, but that relating to London demands special notice. The Summary Jurisdiction Act, 1848, confers on the Lord Mayor or any of the aldermen of the City of London, sitting at the Mansion House or the Guildhall, power to do any act which two justices ordinarily might do. It follows that when the premises are in the City, application must be made to the Lord Mayor or sitting aldermen, the procedure being otherwise the same as above described.

By the Metropolitan Police Act, 1840, the police magistrates who administer justice in the Metropolitan Police District, as distinct from the City, are given powers different from those possessed by justices, either in the City or in the country; for Section 13 enacts that, in these cases, on the request of the landlord or his bailiff or receiver, made in open court, and upon proof being given to the satisfaction of the magistrate of the arrears of rent and desertion of the premises, the magistrate may issue his warrant directed to one of the constables of the Metropolitan Police Force, requiring him to go upon and view the premises, and to affix thereon the notice which otherwise would be affixed by the two justices; and upon the return of the warrant and upon proof to the satisfaction of the magistrate that the warrant has been duly executed, and that neither the tenant nor any person on his behalf has appeared and paid the rent in arrear, and there is not sufficient distress on the premises, it shall be lawful for the magistrate to issue his warrant to a metropolitan constable requiring him to put the landlord into possession of the premises.

If the premises are in the City of London or the county of Middlesex, an appeal lies to any judge of the King's Bench Division of the High Court of Justice.

Parish Property, if deserted, is subject to special provisions, for the Poor Relief Act, 1819 (as amended by the Union and Parish Property Act, 1835), enacts that if any person who shall have been permitted to occupy any parish or town house, or other dwelling belonging to the parish, for the habitation of the poor, or shall have unlawfully intruded himself into any such, shall refuse or neglect to quit it and deliver it to the guardians within one month after written notice and demand therefor shall be delivered to the person in possession, or, in his absence, affixed on some notorious part of the premises, any two justices may, on complaint of the guardians, issue their summons to the person against whom the complaint is made, to appear and answer the complaint. The summons is to be served on the defendant, or, in his absence, to be affixed on the premises, at least seven days before the time appointed for the hearing of the complaint; and the justices shall, on appearance of the defendant or on proof of service, proceed to hear and determine

the complaint, and if it is correct, issue a warrant for possession. The Act contains similar provisions as to any land let by the guardians and held over after proper notice to quit, and also as to land belonging to them, of which possession has been unlawfully taken.

DESIGNS.—Quite apart from the law as to copyright (*q.v.*) in a picture or drawing, the proprietor of a new or original design not previously published in the United Kingdom may obtain a special copyright in such design by registering it under the provisions of the Patents and Designs Acts, 1907 and 1919. A design, in order to be capable of registration, must be one (not being a design for a sculpture) which is applicable to some article of manufacture or some material substance, whether for pattern, shape, or configuration, or ornament, and whether by printing, painting, embroidering, weaving, sewing, modelling, casting, embossing, engraving, staining, or any other means whatever. If such a design is made to order and for good (which here means valuable) consideration (see CONSIDERATION), or is acquired by some person, the proprietor is the person for whom it was made or by whom it has been acquired. In any other case, the author of the design is the proprietor.

An application for registration is made to the Comptroller of Patents at the Patent Office, and must comply with the rules made by the Board of Trade, and known as the Designs Rules, 1908. The Comptroller may, if he thinks fit, refuse to register the design, but any person aggrieved by such refusal may appeal to the Board of Trade. If registration is ordered, a certificate of registration is issued to the proprietor, and the necessary entry is made in the Register of Designs, which is kept at the Patent Office. On registration the proprietor has copyright in the design during five years from the date of the application for registration, and may obtain extensions for two other successive periods of five years on paying the prescribed fees. Upon registration, a special number or mark is given to the proprietor and assigned to the particular design, and before delivery on sale of any article to which the registered design has been applied he must cause it to be marked with such number or mark, so as to denote that the design is registered, e.g., "Regd. 999," and if he fails to do so he will find great difficulty in, even if he is not entirely prevented from, enforcing his copyright against infringers. If the registered design is used for articles manufactured exclusively or mainly outside the United Kingdom, the protection afforded by registration will cease, and anyone may apply to the Comptroller for the cancellation of the registration.

During the existence of copyright in a design, it is unlawful for any person, without the consent of the proprietor, to apply the design, or any fraudulent or obvious imitation thereof, to any article in any class of goods in which the design is registered, or to knowingly publish or expose, or cause to be published or exposed, for sale an article bearing the design or such an imitation of it. A person who so offends is liable for every contravention to pay not exceeding £50 to the registered proprietor, but so that the total sum so payable in respect of any one design does not exceed £100, or the proprietor may sue the offender for damages (*q.v.*), and for an injunction (*q.v.*) against the repetition of the offence.

Designs are registered in various classes, according to the material of which the goods to which the

design is to be applied is chiefly or wholly composed, and a separate registration is required for each class in which it is desired to secure protection for the design. If any doubt arises as to the class to which any particular description of goods belongs, it is settled by the Comptroller. The classes are as follows—

- Class 1. Metallic articles other than jewellery.
- Class 2. Jewellery.
- Class 3. Vegetable or animal solid substances, such as bone, ivory, papier maché, etc.
- Class 4. Glass, earthenware, porcelain, bricks, tiles, cement.
- Class 5. Paper, except paperhangings.
- Class 6. Leather, bookbinding materials.
- Class 7. Paperhangings.
- Class 8. Carpets, rugs, floorcloths, oilcloths.
- Class 9. Lace.
- Class 10. Hosiery.
- Class 11. Millinery, wearing apparel, boots, shoes.
- Class 12. Ornamental needlework on textile fabrics.
- Class 13. Printed or woven designs on textile piece goods.
- Class 14. Printed or woven designs on handkerchiefs and shawls.
- Class 15. Printed or woven designs, being checks or stripes.
- Class 16. Goods not included in other classes.

The fees charged on registration vary from 1s. to 10s., according to the class and number. The fees, and the forms to be used, are set out in the Designs Rules, which may be procured through any bookseller. (See also PATENTS, TRADE MARKS.)

DESPATCH NOTE.—When goods are sent by post to a foreign country, owing to the existence of foreign tariffs, it is requisite that particulars should be given as to the contents of a parcel. The despatch note is the printed document which has to be filled up and forwarded with the parcel in such a case.

DETINUE.—Every man is entitled to have in his possession or under his control all such goods and chattels as are his own property, except in so far as he has bailed the same to some other person or persons, who is then rightfully in possession of the same for the time being. Any other person who withholds from the owner the goods of another is liable to an action in respect of the same for detaining them, and this action is known by the name of "detinue." If the owner is unable to obtain his goods specifically, he may, in the alternative, claim the value of the same as damages for their detention.

There is no general provision as to the restoration of property which is detained by a summary method of procedure. But within the Metropolitan Police District, any person claiming to be entitled to the property in or to the possession of goods, not exceeding £15 in value, detained by another person, may apply to a police court magistrate for an order for their delivery up, subject to the satisfaction of any charge or lien which exists with regard to them.

DEVIATION.—If the ship, without entirely abandoning the prosecution of the voyage described in the policy, yet voluntarily, and without justifying cause, departs from the prescribed course of that voyage, this is a deviation, and the underwriter is liable for no loss occurring after the point (frequently called the dividing point) at which the ship first quits the prescribed course. When once the policy

has attached, the voyage insured must be performed in accordance with the contract. A change of voyage, such as to seek a different port, will be a breach of contract, so also will a departure from the proper course to the stipulated port, even though the ship should afterwards return to that course. Where no date is named for the sailing of the ship, she must sail within a reasonable time, so as not by undue delay to alter the character of the risk. The voyage set out in the policy must be performed in the way in which voyages of that class are usually performed. Any departure from the course usually taken by vessels pursuing voyages of that class will be a deviation. If the voyage is described or defined in the policy with any detail, the route so laid down must be the course which is taken, and any variation will be a deviation. Therefore, it would seem that if the ports of discharge are named in the policy, they must be visited in the order in which their names appear in the instrument. It is not necessary to prove that the risk has been enhanced by the delay, or deviation. The underwriter only undertakes to indemnify the assured upon the implied condition that the risk shall remain precisely the same, as it appears to be on the face of the policy, as interpreted by usage. Deviation does not, however, like unseaworthiness, discharge the underwriter from liability on the policy *ab initio*; he still remains liable for all loss incurred prior to the deviation. Where the place of departure is specified by the policy, and the ship instead of sailing from that place sails from any other place, the risk does not attach. Where the destination is specified in the policy, and the ship, instead of sailing for that destination, sails for any other destination, the risk does not attach. Where, after the commencement of the risk, the destination of the ship is voluntarily changed from the destination contemplated by the policy, there is said to be a change of voyage. Unless the policy otherwise provides, where there is a change of voyage, the insurer is discharged from liability as from the time of change, that is to say, as from the time when the determination to change it is manifested; and it is immaterial that the ship may not, in fact, have left the course of voyage contemplated by the policy when the loss occurs (Marine Insurance Act, 1906, Sects. 43-45). Where, however, by the usage of trade it is customary in the course of the voyage insured to stop at interjacent ports, though out of the direct course, it is no deviation to stop there, though leave for that purpose be not expressly reserved, for such stopping is considered to be a regular part of the voyage insured, and to have been contemplated by the parties to the policy. Deviation may be justified either by express permission in the contract or by necessity. In the former case, this may be by a clause giving liberty to the ship "to call at any port in any order," or "to deviate for the purpose of saving life or property." Such a clause does not justify a ship leaving the direct course between her ports of loading and discharge, and putting into another port 1,200 miles off that course, for the ports must be ports which will be passed on the named voyage, and if the words "in any order" after "ports" are not added, the ship must visit the ports in their geographical order. Deviations or delays are justified in the following cases: (1) Where authorised by any special term in the policy; or (2) where caused by circumstances beyond the control of the master and his employer;

or (3) where reasonably necessary in order to comply with an express or implied warranty; or (4) where reasonably necessary for the safety of the ship or subject-matter insured; or (5) for the purpose of saving human life, or aiding a ship in distress where human life may be in danger; or (6) where reasonably necessary for the purpose of obtaining medical or surgical aid for any person on board the ship; or (7) where caused by the barratrous conduct of the master or crew, if barratry is one of the perils insured against. When the cause excusing the deviation or delay ceases to operate, the ship must resume her course, and prosecute her voyage, with reasonable despatch. Deviation in order to save property is only allowable if the preservation of life can only be effected through the concurrent saving of property, and the *bona fide* purpose of saving life forms part of the motive which leads to the deviation. If, therefore, the lives of persons on board a disabled ship can be saved without saving the ship, as by taking them off, deviation for the purpose of saving the ship will carry with it all the consequences of an unauthorised deviation.

DEVISE.—The word "devise," in its strict sense, applies only to a gift by will of lands or real property, but it is often used as equivalent to "bequeath" in testamentary gifts of personal property. The giver is the devisor, the taker is the devisee. In wills, it passes personal property equally with "bequeath"—the proper technical term—and "bequeath" likewise may pass realty. If a testator says: "I give, devise, and bequeath," the words "give and bequeath" apply to the personal property, and "devise" to the real estate. A devise may be either specific, e.g., "I devise Blackacre to A," or residuary, e.g., "I devise the residue of my land to B," which gives B all lapsed and undisposed-of realty belonging to the devisor at his death; but, in a sense, a residuary devise is specific, for where the personal estate is insufficient for the payment of debts, the specific devisees must contribute towards their payment rateably with the residuary devisee, while in the case of personalty the debts are payable out of the residue in exoneration of the legacies. An executory devise is such a limitation of a future estate or interest in lands or chattels, as the law admits in the case of a will, though contrary to the rules of limitation in conveyances at common law, e.g., a devise to A for life, remainder to C, provided that if D shall within a month of A's death pay £1,000 to C, then to D and his heirs. D has here an executory devise. A devise (unlike a conveyance) of Blackacre to C passes to C the whole fee simple in Blackacre, not merely a life interest. (See WILLS.)

DEVISEE.—The person to whom any real estate is given by a will. It is the common practice to use the words "devise and bequeath" when testamentary dispositions are being made. The former word is technically only applicable to real estate, the latter to personal estate.

DEVISOR.—The person who makes a gift of real property by will.

DEXTRINE.—Properly speaking, a colourless

tasteless powder obtained by the action of diastase on starch; but the dextrine of commerce is a mixture obtained by heating starch. It is also known as British gum, and is much used in solution as a substitute for gum arabic in calico printing, as a mucilage for stiffening fabrics, as a coating for adhesive stamps, and for thickening inks. The chemical symbol of true dextrine is $C_6H_{10}O_5$.

DIAGRAMS AND CHARTS.—Everyone is familiar with the weather chart of the daily newspaper. It is a diagram which shows the changes indicated by the barometer. Some people possess a self-recording barometer in which a movable inked pen-point traces a "curve" upon a paper drum. The advantage of a weather chart is twofold. It provides a permanent record of the changes of atmospheric pressure, and it makes the changes visible. A glance at the chart shows at once whether the barometer has been rising or falling during the last few hours.

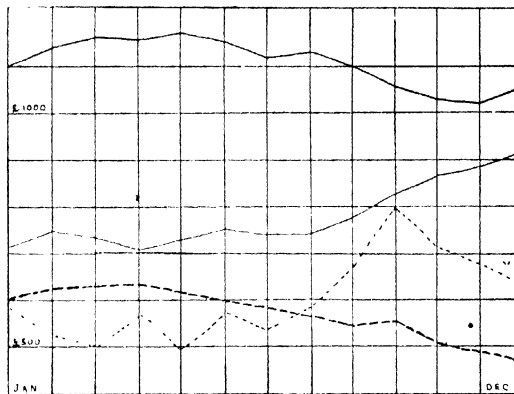


FIG. 1.—COMPARISON OF SALES WITH COSTS

The barometrical chart illustrates in the simplest possible way the principle upon which all charts are constructed. Measured along one edge of the chart are spaces which represent regular time intervals. On the edge at right angles to this are spaces which represent the pressure of the atmosphere in the terms of equal fractions of inches. There is a comparison between something fixed, in this case the intervals of time, and something variable, in this case the vagaries of the weather.

Engineers have long been in the habit of making charts or graphs to represent, for instance, variations in the steam pressure of a boiler, or of the speed of a machine. Graphs have also been used by statisticians to interpret their figures. Of late years graphs have been progressively introduced to interpret and represent the facts of commerce. Any set of related facts which can be expressed by figures can also be plotted as a graph. In business offices, graphs are very commonly plotted not only to reveal a tendency as, for instance, to show whether the sales are going up or down, but they are also used for comparison. It is quite easy to see that if anyone wanted to compare the weather of a year ago with that of to-day, two curves could be drawn on the same chart, one in black, perhaps, and the other in red, or the differences between the years could be shown by using thick and thin lines, or

by continuous or dotted lines. The use of graphs for comparative purposes is found to be extremely valuable to busy men. Instead of wading through columns of figures, trying to grasp their significance and taxing the memory as to the figures of by-gone years, all the essential facts of a big business can be shown in diagrammatic form on a single sheet of paper. One method of summarising a mass of facts is shown in Fig. 1.

The four irregular lines or "curves" which run across the diagram from left to right show in each of the twelve months of the year (a) the total amount of sales, (b) the cost of production, (c) the cost of selling and distribution; and (d) the overhead expenses of running the business.

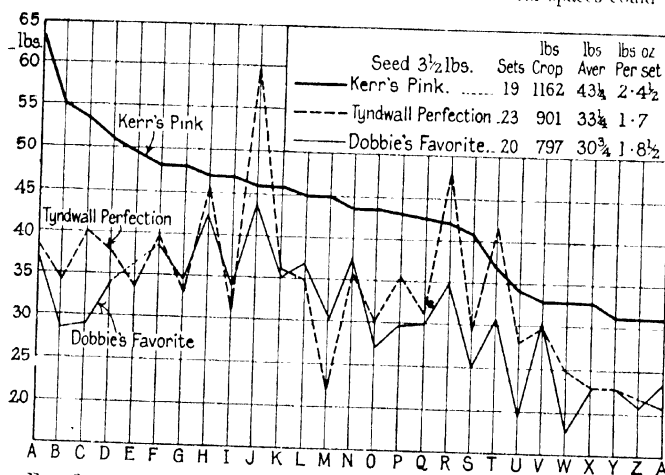


FIG. 2.—COMPARISON OF A STANDARD RESULT WITH TWO VARIABLES.

With yearly charts of this kind before him the manager of a big business can see at a glance how things are going. In the diagram, for instance, he would notice that the average monthly sales are well over £1,100 for seven months of the year. They decline in the autumn and winter. The factory costs normally amount to between £700 and £800 per month. They rise considerably in the last four months in the year in a way which demands an explanation, because while the factory was costing more the sales were diminishing. The third line shows that the cost of selling and distribution correspond in their general tendency with the value of the sales from month to month. The curve which shows the office and other expenses would doubtless alarm a manager. The expenses are erratic and unrelated to the other big facts of the business. The interpretation of this expense curve is, in regard to this chart, the thing to be noted. All the other facts appear to be normal, regular, and foreseeable. The winter rise in the factory costs is accounted for by laying in stocks for the anticipated spring selling season. The gradual fall in the selling expense curve shows that successful attempts were being made to reduce the distribution costs. The erratic character of the expense graph is due to an uncertain managerial policy in the first seven months in the year. It looks as if attempts were made to economise without sufficient reason. The chief element of expense is

wages. These were cut down to a minimum in February; another cut was made in April. Understaffing led to expenses in other directions. Then a new office manager was appointed and he had to spend a lot of money culminating in September, to re-organise the office.

It will be noticed in Fig. 1, that the vertical column which represents money, does not start at 1,000. The bottom line represents £400, the top line £1,200. The clerk who made this chart knew that his figures came within these limits, and the chart is more intelligible because it is thus spread out over the whole of the sheet of paper. Any scale of values can be used on a graph. The vertical spaces could have represented shillings or

pounds or thousands of pounds. Two or more scales can be used on the same chart. The top line on Fig. 1, for instance, might represent tons of merchandise or output. The selling cost might have been represented not as pounds sterling, but as a percentage of the value of the sales.

It is not necessary to arrange a graph in the order of time. Fig. 2 shows how a comparison can be made between three variable quantities. The curves represent the crops resulting from twenty-seven experiments of growing three different kinds of potato in different parts of a district. There were different ways in which these

facts could have been shown on a chart. To evolve order out of apparent chaos it was necessary to apply the well-known law of averages, which has a characteristic curve of its own as shown in Fig. 3.

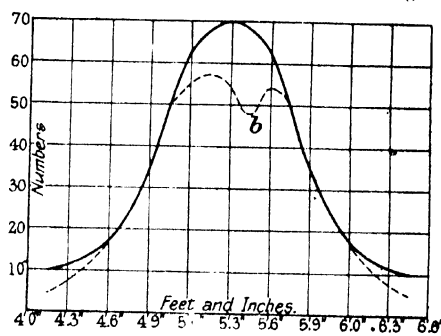


FIG. 3.—A CURVE OF "CHANGE" TO ILLUSTRATE THE LAW OF AVERAGES.

Adding up the results showed that the Kerr's Pink potato was on the average very much better than the other two. The K.P. results were, therefore, arranged in their order of magnitude, and laid out as the thick uppermost line. The

character of the curve shows that it conforms to the law of averages, and could be quite rightly taken as a basis. The curves of Tyndwall Perfection and Dobbie's Favorite respectively, generally are seen to resemble each other, and with three marked exceptions both the lower curves show a general tendency to fall off parallel with the comparison curve. The apparent erratic character of the two lower curves, therefore, very largely disappears. It could have been made less obvious if the diagram had been constructed on another scale. If it had been twice as long and half as high, all the curves would have been flattened out. If by laying out the chart in another way the facts marked D.F. had been taken as a standard and the districts rearranged in D.F. order, the curve K.P., which now is "smooth," would have been extremely erratic. Fig. 3 shows an ideal curve which represents what happens if the results of a large number of transactions are dependent largely upon "chance." If the heights of all the men in a university, for instance, were taken it would be found that there would be very few persons whose height came between 7 ft. and 6 ft. 6 in., and very few also between 4 ft. 6 in. and 4 ft. There would be more people of a medium height than any other. In the same way, if a large number of roots of potatoes were weighed, the same general law of average would be observed. There would be a few very heavy roots and a few very light ones. If the curve K.P. in Fig. 2 were laid out in the form of Fig. 3, it would be found to have the same general character. If it did not the graph would show that not enough statistics were available to justify the drawing of any average conclusions.

Graphs can always be used to discover whether the general tendency revealed by a set of figures is due to a single cause or to a combination of causes. If, for instance, a graph of averages took the form of the dotted line B in Fig. 3, showing one peak in its approximately expected place and a second peak elsewhere, it would mean that there were two causes at work. To get a true indication either this second unknown cause must be analysed and eliminated or else a much larger body of statistics must be obtained to satisfy the law of averages.

DIAMOND.—The hardest, most valuable, and most brilliant of all precious stones. It is the natural form of crystallised carbon, and as its chemical composition is well known, attempts have been made to produce diamonds artificially, but without much success. India, Brazil, and South Africa are the chief diamond-producing countries, but the diamonds of Australia are preferred for cutting glass. Both carbonado and dark, lustreless varieties found in Brazil, and are used on account of their hardness for diamond rock-boring drills. There are diamonds of various colours, but the white stones are generally the most prized, though a rare colouring, such as blue or red, may give a fictitious value to an otherwise inferior stone. The art of cutting is very important, as the value of the gem is greatly affected by the process, which was discovered about the middle of the fifteenth century, and is principally carried on at Amsterdam, though the industry has also been introduced into Antwerp and the vicinity of Frankfurt.

DIAPER.—A figured cloth, usually of linen, the pattern being woven into the fabric. It is much used for towelling, napery, etc.

DICTAPHONE.—This is an instrument of a singular nature to a phonograph, which will record—on cylinders similar to phonograph records—messages, letters, etc., dictated into it. The cylinders can then be put away or passed on to a typist for reproduction as and when required.

DICTOGRAPH.—This is the name of a very widely used office telephone system, which is one of the most efficient means of inter-communication available. It has several distinctive and unique features which will be found noted in the article on HOUSE TELEPHONES.

DIES NON.—This is a Latin phrase, and signifies a day upon which, owing to certain special circumstances or events, no business can be transacted. For many purposes, Sunday is a *dies non*, and so are Bank Holidays as far as banks are concerned.

DIFFERENCES.—The process of carrying over stock and shares is explained under the headings of BULLS AND BEARS AND CARRYING OVER. From this it is apparent that the speculator who carries over or closes a transaction has to pay or receive a certain sum, being the difference between the price at which he purchased or sold as the case may be, and the price at which he either concluded the transaction or carried over to the next account. Such balances are known as differences, and fall due to be paid on each account or settling day.

DIGITALIS.—A genus of plants belonging to the order *Scrophulariaceæ*. The British species is the *Digitalis purpurea*, or common purple foxglove, the leaves of which are used in the preparation of a drug which is valuable in cases of heart disease. The active principle of this drug is digitaline. Owing to its poisonous character, great care is required in its administration.

DILAPIDATIONS.—This term has been defined as "the injury which has accrued to houses, lands, or tenements of another during the temporary possession by one party, whereby a successor or reversioner sustains damage."

The subject may be conveniently considered under three headings, viz., as between landlord and tenant, as between tenant for life and remainderman, and dilapidations in ecclesiastical law.

Between Landlord and Tenant. The greater part of the liability of parties to a hiring or letting agreement depends on express covenant or agreement. Where premises are let without any express stipulation as to repair, there is, as a rule, no implied agreement by the landlord as to their habitableness or freedom from dilapidations. Such an agreement is, however, implied if the letting is of a furnished house, or of a house for the habitation of persons of the working classes. The agreement, however, in both cases is merely that the house is habitable at the commencement of the letting, and not that it shall so continue during the whole of the term for which the premises are let, nor is the landlord under any implied liability at all to do repairs to the premises during the continuance of the letting. Even if the premises are burned down, or if they fall into a dangerous state and notice to that effect is formally given, no liability to repair is imposed on the landlord. The tenant, on the other hand, appears to be under a liability to keep the premises wind and water tight, but such an obligation is of a very slight character, e.g., it seems that broken glass need not be replaced, and that to patch the windows with boards would be sufficient. It is plain, therefore, that in the absence of special agreement, the matter is one for compromise and adjustment,

especially having regard to the fact that the landlord, apart from any power reserved to him, has no right to enter the premises and view their condition, or even to enter for the purpose of doing necessary repairs to them. A lease or letting agreement, however, usually contains repairing covenants by one or both of the parties. These covenants vary greatly in form, but it often happens that the tenant agrees to "repair and keep in repair" the demised premises; and in such a case, if they are out of repair at any time during the term, a breach of covenant is committed, while an agreement to keep premises in repair and leave them in repair at the end of the term means that the tenant will, if necessary, put them in repair, for they cannot otherwise be "kept or left" in repair. Such agreements as to their exact scope are far from easy to construe, but it may be laid down that a general covenant to repair is satisfied by keeping the premises in substantial repair; and that an agreement to keep old premises in repair does not make the tenant liable for whatever time and the elements effect in bringing about a diminution of their value. Thus, in one case, the covenant was "well sufficiently and substantially to repair, uphold, sustain, maintain, amend, and keep the demised premises," which consisted of a house in Lambeth, at least 100 years old, its foundations being a timber platform resting on a boggy soil. A wall bulged, and the foundation sank so that rebuilding became necessary. The tenant was held not liable, the defect having been caused by the natural operation of time and the elements upon a house, the original construction of which was faulty. Such an agreement, also, must be construed with reference to the condition of the premises at the time when it begins to operate, so that a tenant is not liable for breaches of covenant to repair committed before the execution of the lease of the house, although subsequent to the day from which the term is stated in the lease to commence. Particular words, such as an agreement to keep the premises "in good tenable repair," give rise to other questions. Such words as these impose an obligation to paint just as much as is necessary to keep the premises from actual deterioration, but only to put and keep them in such repair as, having regard to the age, character, and locality of the house, would make it reasonably fit for the occupation of a reasonably minded tenant of the class who would be likely to take it. The landlord, as well as, or instead of, the tenant, may, of course, enter into agreements to repair, and such agreements are very common in certain classes of property. In such a case, the condition is implied that notice of want of repair must be given, and the tenant cannot proceed for breach of covenant without giving such a notice. If the landlord neglects to comply with such notice, it seems that the tenant may himself do the repairs and deduct the cost of them from the rent. Any agreements entered into by the landlord must, of course, be construed in a manner similar to that of the tenant's above discussed. The remedies for omission by the tenant to carry out his agreement to repair are, shortly, right of entry to repair, re-entry, and action for damages.

The Right of Entry to Repair is very frequently conferred by the lease or agreement; which also sometimes provides that the landlord may, if the tenant fails to execute repairs, himself enter and do them, and charge the tenant with the cost. The right of entry to view is implied by law in holdings governed by the Agricultural Holdings Act, 1908,

but otherwise the landlord has no right, unless stipulated, to enter the premises to either view or repair. Such entry, even when authorised, must, of course, be peaceful; and if it is wrongfully refused, must be enforced, not by physical force, but by action.

Re-entry is a usual and very powerful remedy given to the landlord by the lease or agreement, not only in case of the breach of covenant to repair, but for breach of other covenants. This, also, can only be enforced by peaceable re-entry, or by action, and is also subject to the very important restrictions contained in the Conveyancing and Law of Property Act, 1881. This statute enacts that a right of re-entry or forfeiture under any proviso or stipulation in a lease (which probably includes a tenancy agreement) for a breach of any covenant or condition in the lease shall not be enforceable by action or otherwise, unless and until the lessor serves on the lessee a notice specifying the particular breach complained of, and (if it is capable of remedy) requiring the lessee to remedy the breach, and in any case requiring the lessee to make compensation in money for the breach, and the lessee fails, within a reasonable time thereafter, to remedy the breach, if it is capable of remedy, and to make reasonable compensation in money, to the satisfaction of the lessor, for the breach. It is further provided that where a lessor is proceeding by action or otherwise to enforce such a right of re-entry or forfeiture, the lessee may apply to the court for relief, and the court may grant or refuse it or grant it, subject to such terms as to costs or otherwise, as it thinks fit. The Conveyancing Act, 1892, which amended these provisions, provides that the lessor is entitled, if the breach is waived or the lessee relieved, to recover from the lessee his solicitor's and surveyor's costs in reference to inspection and the preparation of the notice. This Act also extends the power of the court to grant relief, by enabling it to be granted on such terms as the court may impose to an under-lessee whose immediate lessor has incurred a forfeiture.

Action for Damages. This is a common law remedy, and it may be brought on the covenant or agreement to repair. It may be brought during the continuance of the term, and will be in the High Court or county court, according to the amount claimed.

As between Tenant for Life and Remainderman. A tenant for life may be liable for dilapidations in consequence of the law of waste, that is, the committing of any spoil or destruction in houses or lands, the subject of the life tenancy, to the damage of the heir or of him in reversion or remainder. Waste is either voluntary or permissive. Voluntary waste consists in, e.g., pulling down or materially altering a house. Permissive, in allowing it to fall into decay. After many doubts, it has been held that a tenant for life is not liable for permissive waste, unless the duty to repair has been expressly laid on him by the grantor of the estate. He is, however, liable for voluntary waste, unless the instrument of grant expressly declares that his estate is to be "without impeachment of waste," and may be punished by an action for damages or restrained by injunction. Even if his estate is of this character, the Chancery Division will restrain him from acts of a wanton and malicious character (e.g., pulling down the principal mansion house), which are styled "equitable waste."

Ecclesiastical Dilapidations. At common law, a

parson, perpetual curate, or other incumbent is liable for dilapidations. That is, he is bound to maintain the parsonage or dwelling-house, and also the chancel of the church, and to keep them in good and substantial repair, restoring and rebuilding when necessary, according to the original form; but he is not bound to supply or maintain anything in the nature of ornament, in which term is included painting (unless necessary to preserve exposed timbers from decay), and also whitewashing and papering. If he does not do so, his representatives are liable to an action at the suit of the new incumbent, this ability to sue the personal representative of a deceased person in respect of a tort for which, in his lifetime, he would not have been liable, being an exception to the ordinary rule—*actio personalis moritur cum persona*. By statute (14 Eliz. c. 11) the new incumbent is compelled to employ all money thus received within two years on the repair of the dilapidations, the penalty of default being forfeiture to the Crown of double the amount. The subject is now regulated by the Ecclesiastical Dilapidation Acts, 1871 and 1872. These Acts provide for the appointment of a diocesan surveyor and for inspection by him of the buildings on request being made by the incumbent to the bishop, or complaint being made by the archdeacon, rural dean, or patron of the benefice. In the latter case, however, the incumbent must first be given an opportunity of doing the repairs himself. The surveyor reports on the result of his inspection, and, after the incumbent has been given an opportunity of objecting, the final report is settled. The incumbent must comply with it, on penalty of his benefice being sequestered to meet the expenses, and may, with the consent of the bishop and patron, borrow the necessary moneys (not exceeding three years' income of the benefice) from Queen Anne's bounty on the security of the benefice. When the works are complete, the surveyor certifies to that effect, and the incumbent is then exempted from any liability to a further survey or report for five years; and if he vacates the benefice or dies within that time, he and his representatives are exempted from any claim for dilapidations, except for wilful waste. The incumbent, however, remains liable for fire, unless before the filing of the certificate with the diocesan registrar and the governors of Queen Anne's bounty he has insured the buildings as required by the Acts and continues the insurance. If such a certificate is not obtained, the bishop is to direct a similar survey within three months after the benefice is vacated; and where a surveyor's report and order of the bishop consequent thereon have been made, the amount stated in the order is to be recoverable as a debt from the late incumbent or his representatives. The new incumbent must bear the costs of the repairs, whether or not he succeeds in so recovering the cost of them, and he is bound to execute them within eighteen months from the date of the order.

DILIGENCE.—A process, in Scotch law, under which a person, or his lands, or effects, may be attached or taken in satisfaction or in payment of a debt. It is the modern method which has displaced the old caption (*qv*).

DILL.—An umbelliferous plant common in India, in the Mediterranean countries, and in South Africa. The seeds yield a volatile oil, which is used in scenting soaps, but they are chiefly valuable as the source of dill water, the popular remedy for flatulence in infants.

DIME.—(See FOREIGN MONIES.—UNITED STATES.)
DIMINISHING RETURN.—The Law of Diminishing Return is an economic "law"—i.e., a tendency which, however, will yield to a stronger tendency—that pervades the whole of economics. It was first closely studied in connection with the product of land and was thus formulated: after a certain, not very advanced, stage in agriculture, it is the law of production from the land that by increasing the labour the produce is not increased in an equal degree. Doubling the labour does not double the produce; or, every increase of produce is obtained by a more than proportional increase in the application of labour to the land. An antagonising principle—the progress of agricultural knowledge, skill, and invention, for instance—may supersede for a while this "law." The decline of the productive power of labour may be thrown back temporarily; but it at once resumes its course. The doctrine of "economic" rent is based on this law. (See the article on RENT.)

Diminishing Return clearly operates, however, in many more cases than in that of agricultural land. In the absence of improved methods or increased skill, a river fishery will yield less and less return to labour as the fishing becomes more "intensive." A mine will yield its riches at an ever increasing cost for sinking a shaft, freeing from water and the like. As building sites become more distant from the business part of the city their return of convenience steadily diminishes, and with it their value. The most general expression of the law is, in fact: *a repeated stimulus does not, as a rule, produce a double effect; and there comes a point at which further stimulus produces no further effect*. To double the speed of a steamer or of a motor it might be necessary to increase the power of the engines a hundredfold.

To this fact, that increments of any particular thing do not in general mean corresponding increments in the pleasure derived from the possession, is due the trading propensity of man. Whether in the rude state of barter or in the greatest international agreements, things which are in superfluity are exchanged for things in which there is a deficiency. Thus in all honourable trade each party gains in utility. As more of a thing is obtained the desire for an increase diminishes, the less that is possessed the more its possession is sought. A sovereign to a beggar is *worth more* than it is to a millionaire.


We can best illustrate the diminishing returns of satisfaction from successive increments by considering the consumption of such articles as satisfy physical needs. Take water for instance. To the man perishing of thirst the first draught of water produces the maximum of satisfaction—its value is in fact infinite, for it preserves his life. The second quantity is still valuable to him, though he derives less satisfaction from it, and puts it to a less urgent use; with it he washes his face, or waters his horse, or cooks his food. He does not care for any beyond a certain, though on occasion varying, amount, beyond this point he will not take the trouble to draw from the well—the utility, and therefore the value, of the water is at zero. Nothing whatever has a value unless the quantity desired is in excess of the quantity available: "it is," says Franklin, "when the well is dry that one understands the value of water."


If when this zero point is reached, our traveller is obliged to consume further supplies of water he

finds it a nuisance; in place of utility it has now disutility and he would pay something to be rid of it. And so we have the whole range of values, from a maximum through the zero down to the most fearful of tortures, the water-torture.


This reasoning must of course be taken with reservations, and it is perhaps applicable only to such things as satisfy physical needs. Just as there are counteracting tendencies to the principle of diminishing returns to labour applied in a definite direction, so there are antagonising causes which prevent diminishing returns of satisfaction from further increments. The point of satiety for certain things is very slowly reached. Two suits of clothes do not give double the satisfaction, the utility, of one; but their utility is more nearly double than is the satisfaction conferred by having two dinners together. And expenditure on luxuries may go on for a very long time without apparent diminution of satisfaction. In some cases, even a more than proportional increased amount of satisfaction seems to be the result of increasing amounts. As a stamp collection nears its completion, the desire of the collector for the specimens wanting becomes the greater. We may, therefore, roughly divide all commodities into three classes—

(1) **Necessities**, the amount of which desired depends little on the price which are therefore said to be *inelastic* and which conform to the law of diminishing return. Their symbol would be

, the curve representing the rapid decrease of satisfaction from successive increments.

(2) **Comforts and Luxuries**, the amount of which desired depends roughly on the price, which are therefore said to be *elastic*, and which conform to the law of constant return. Their symbol would be .

(3) **Ambitions**, the satisfying of which again depends little on the price paid for them; the appetite for which seems to increase with the number already gratified, and would conform to the law of increasing return. Their symbol would be

, the curve denoting the increased amount of satisfaction from successive honours gained. The type of the first is bread—successive slices yield less and less pleasure; of the second, books; of the third, titles of nobility.

Money, which is potentially any of these three classes, may be regarded as giving a constant return. Since it can be applied to the satisfaction of necessities, comforts, or ambitions, the point of satiety does not appear to be rapidly reached. In many cases it would indeed seem to approximate to the third class rather than the first.

DIMITY.—A stout, figured, or striped cotton cloth, usually white in colour. It is mainly used for bed-hangings and curtains.

DINAR.—(See FOREIGN MONIES—SERBIA.)

DIRECTORS.—The directors of a joint stock company are those persons who are chosen by the shareholders to conduct and manage its business, the whole constituting what is called the board of directors. In practice, no company is ever without directors though there is no legal compulsion to appoint them.

The question has often been discussed whether directors are trustees or agents of the company which they govern. In many respects they occupy

both positions. They are especially trustees of the powers which are committed to them, and of moneys which come into their hands, and they are, in addition, the general agents of the company. But the essential distinction between trustees and directors has been judicially declared as follows—

“A trustee is a man who is the owner of the property, and deals with it as principal, as owner and master, subject only to an equitable obligation to account to some persons to whom he stands in relation of trustee, and who are his *cestui que trustent*. The same individual may fill the office of director and also be a trustee having property, but that is a rare, exceptional, and casual circumstance. The office of director is that of a paid servant of the company. A director never enters into a contract for himself, but he enters into contracts for his principal, that is, for the company of whom he is a director, and for whom he is acting. He cannot sue on such contracts, nor be sued on them, unless he exceeds his authority.”

Directors can only exercise the powers conferred upon them by the memorandum and articles of association. All persons, third parties as well as members of the company, having dealings with the company, are presumed to have full knowledge of the contents of these two documents, since they are open to public inspection. Such persons, therefore, must know the extent of the powers of the directors, and be acquainted with any restrictions placed upon them.

No proper definition of a director has ever been given in any of the Companies Acts, and the only attempt at anything in the shape of a definition is contained in Section 285, where it is stated that a director “includes any person occupying the position of a director by whatever name called.” The insertion of this quasi-definition is probably the outcome of certain words in the judgment in the case of *In re Forest of Dean Coal Mining Company*, 1878, 10 Ch. D. 450, where it is said: “Directors have sometimes been called trustees, or commercial trustees, and sometimes they have been called managing partners, it does not matter what you call them so long as you understand what their true position is, which is that they are really commercial men managing a trading concern for the benefit of themselves and of all other shareholders in it. They are bound, no doubt, to use reasonable diligence having regard to their position, though probably an ordinary director, who only attends board meetings occasionally, cannot be expected to devote as much time and attention to the business as a sole managing partner of an ordinary partnership, but they are bound to use fair and reasonable diligence in the management of their company's affairs, and to act honestly.”

Any person, or even a company, may be a signatory of the memorandum and the articles, and no restriction is placed upon any person becoming a shareholder in a company. The same rule applies as to a person who is appointed a director, with this single exception, that a clergyman of the Church of England, so long as he is actively performing his duties as a clergyman, cannot be appointed as a director.

The first directors of a company are appointed either by the memorandum or the articles of association—sometimes by both; and a list of the directors, as well as a consent in writing signed by the directors, must be filed with the registrar. Such first directors occupy their position until they

are replaced by others, according to the terms of the articles. If a director is appointed for a fixed period, he cannot be removed from his position until that period has elapsed. Similarly, he is unable to resign his office. If no directors are appointed by the articles, the whole of the signatories of the memorandum are the first directors.

The appointment of new and the retirement of old directors is also provided for by the articles of association. The number of directors must also be stated. Full provision will also be made as to the powers conferred upon the directors, as well as to their remuneration and how it shall be paid. The remuneration of directors must be stated in any prospectus issued by the company, and any attempt to remunerate them otherwise than as provided in the memorandum or articles is illegal. The fees to be paid should be distinctly stated, for in his position as trustee, a director cannot claim anything which is not stipulated for in the articles, unless by a special resolution passed by the shareholders. But he is always entitled to be paid irrespective of the success of the enterprise. He is a creditor to all intents and purposes, and there is nothing to compel him to forego his fees, as is often done in case of failure.

Every company must keep a register containing the names and addresses and the occupation of its directors and managers, and send to the registrar of joint stock companies a copy thereof, and from time to time notify to the registrar any change amongst its directors and managers.

There is no legal enactment requiring directors to be possessed of any share or shares in the company of which they are directors, but a share qualification is almost invariably provided for in the articles of association, since the London Stock Exchange requires it as a condition precedent to granting a quotation for the shares of the company. It was a common practice for promoters, etc., to evade the regulation of the Stock Exchange by presenting shares to nominees of their own. An attempt was made to restrict this evasion by the Companies Act, 1900; and now Section 73 of the Act of 1908 has embodied the repealed section of the Act of 1900, as well as the amending section of the Act of 1907. A director must acquire his qualification (if any) within two months of his appointment under liability for the penalties prescribed. The qualification must be stated in the prospectus, and a company cannot commence business until the directors have taken up the qualification shares prescribed. Again, the wording of the articles must be very specific as to the character in which the director holds his qualification. The holding must be for his own benefit, otherwise difficulties may arise, seeing the interpretation that has been placed upon the words "in his own right." A director ceases to be qualified if he no longer holds his qualification shares; and, if he vacates his office on that account, he is incapable of being reappointed as a director until he has qualified again. The articles should also provide for the vacation of office of any director who neglects his duties or absents himself from the meetings of directors. Absenting himself will obviously only apply if the absence is the voluntary act of the director.

For the transaction of the business of the company, the directors must meet periodically, either at appointed times, or when convenient to themselves. A meeting of which no proper notice is

given is irregular. The articles provide what is to be the quorum of directors, or the minimum number present for the transaction of business, but *prima facie* the number cannot be less than a majority of the whole. Any difficulties on this point can easily be avoided by having carefully drawn articles. If no quorum is provided for, the number which usually meets will be sufficient.

The powers of the directors are the rights which they possess of dealing with other persons for and on behalf of their own company, and a clause in the articles of association may be framed so as to clothe them with the amplest authority. If the articles are silent on the point, the law will imply that all the ordinary powers connected with a business of the same kind as that carried on by the company are conferred upon the directors; and a very liberal construction will then be placed upon their actions. It is not advisable, however, to rely upon implied powers, as the directors may go beyond what ordinary business men would think necessary; and it must not be forgotten that they must not do anything which is altogether outside the scope of the business of the company.

The directors are personally liable for all acts which are *ultra vires* the company, and they may be responsible for acts which are *intra vires* the company and yet *ultra vires* the directors; but the shareholders may always ratify any act which is *ultra vires* the directors, and the whole of the powers of the directors may be increased or diminished by an alteration of the articles of association. Owing to their position as agents, and in accordance with the general law of agency, directors must never allow themselves to be placed in such a position that their duties to the company and their private interests are in conflict, otherwise they may be called upon to refund any moneys expended by them, even though the expenditure may appear to be for the benefit of the company. Again, no director can ever contract with the company of which he is a director, unless special provision is made for such a thing in the articles of association, or unless the company ratifies such a contract if it is made. The duties of a director cannot be delegated except by express authority, or except in the same manner as the duties of an ordinary agent can be delegated. The directors act in a body in a meeting specially convened for the purposes of carrying out the duties conferred upon them by the articles of association of the company. They invariably act by resolutions. Minutes of their proceedings must be kept and signed by the chairman. Such minutes are *prima facie* evidence of what took place at such meetings.

Owing to the peculiar position of companies as legal entities, apart altogether from the nationality of the shareholders and officials, an Act was passed in 1917—the Companies (Particulars as to Directors) Act—which imposed additional obligations upon companies as to the disclosure of particulars respecting directors. The Act was really passed in order to make the obligations which were imposed in the case of partnerships by the Business Names Act, 1916 (*q.v.*), applicable to joint stock companies. The result is that, for the present at any rate, returns must be made in which the names and the nationalities of the directors must be fully disclosed in the particulars contained in the annual summary (*q.v.*) which it is imperative for a company to file.

No director can act, or bind the company by his acts, before he is validly appointed to his position

as director. His authority to act dates from the time of his appointment. Such authority continues until a director is removed from his position, or becomes disqualified, or the company is in process of being wound up. Difficulties may sometimes arise as to directors, especially when it is not easily ascertainable whether they are really acting with strict legality. To avoid some of these difficulties it is provided, by Section 74 of the Act of 1908, that the acts of a director or manager shall be valid, notwithstanding any defect that may afterwards be discovered in his appointment or qualification.

As members of the company, directors are pecuniarily liable to the extent of their holding. If they are shareholders and calls remain unpaid, they must meet the calls when made just as any other member of the company is bound to do. But by the Companies Act, 1867, an additional liability was made possible, for it was enacted that the liability of directors might, in certain cases, be unlimited. These provisions are now reproduced in Sections 60 and 61 of the Act of 1908. It is rare, indeed, to find a case in which the liability of directors is made unlimited. In other respects, when acting in their province as agents of the company, they do not render themselves personally liable unless their acts are *ultra vires* the company, or unless they have acted with gross negligence. They are personally responsible for fraud, though in certain cases where the company has taken advantage of fraudulent representations the company will be held bound as well as the directors. The directors are, *prima facie*, liable for fraudulent statements contained in a prospectus. They may, however, escape if they can show: (1) That they believed the statements contained in the prospectus were true, or that they had reasonable grounds for believing so, and that they retained the belief up to the time of the allotment of the shares, debentures, or debenture stock, as the case may be; (2) that the statements set forth were made upon the reports or valuations of duly qualified and competent persons, e.g., engineers, valuers, accountants, or other experts, or that they were copied for some official document; (3) that they withdrew their consent from the prospectus and gave public notice of the fact.

Personal liability may also result in case a director signs a bill of exchange, promissory note, or cheque on behalf of a company, and fails to disclose the representative capacity in which he acts. In the winding-up of companies, directors may be examined when any charge of misfeasance is brought against them in respect of the discharge of their duties. (See WINDING-UP.)

Directors, as has been pointed out, are civilly liable for gross negligence in the performance of their duties, for misfeasance, and for breach of trust. They may also render themselves liable to a criminal prosecution under Section 84 of the Larceny Act, 1861 (a section which was not repealed by the Larceny Act, 1916), which runs as follows—

"Whoever being a manager, director, or public officer of any body corporate or public company shall make, circulate, or publish, or concur in making, circulating, or publishing, any written statement or account which he shall know to be false in any material particular, with intent to deceive or defraud any member, shareholder, or creditor of such body corporate or public company, or with intent to induce any person to become a shareholder or partner

therein, or to entrust or advance any property to such body corporate or public company, or to enter into any security for the benefit thereof, shall be guilty of a misdemeanour, and, being convicted thereof, shall be liable at the discretion of the court to any of the punishments which the court may award as hereinafter last mentioned."

(i.e., penal servitude for any period between three and seven years, or imprisonment with or without hard labour, and with or without solitary confinement, for a period not exceeding two years).

DIRECTORS' FEES.—(See DIRECTORS.)

DISABILITIES OF BANKRUPT.—(See UNDISCHARGED BANKRUPT.)

DISAGIO.—(See AGIO.)

DISCHARGE OF BANKRUPT.—(a) **Generally.**

As an undischarged bankrupt is subject to very serious disabilities, he is naturally anxious to be discharged as soon as possible. His discharge to all intents and purposes sets him free from all claims by creditors who ranked for dividend.

(b) **Application for Discharge.** A bankrupt may, at any time after adjudication, apply for an order of discharge. The application is not heard until the public examination is concluded, and is heard in open court. Notice of the day appointed by the court for the hearing of the application is published and sent to each creditor who has proved, and also to each person whose name the debtor has entered in his statement of affairs as a creditor. The application may be withdrawn by leave on payment of the costs thrown away.

(c) **Powers of Court.** A discharge is not to be had for the mere asking, for on hearing the application the court takes into consideration a report of the official receiver as to the bankrupt's conduct and affairs (including a report as to his conduct during the bankruptcy proceedings). The court may then either grant or refuse an absolute order of discharge, or suspend the operation of the order for a specified time, or grant an order of discharge subject to any conditions with respect to any earnings or income which may afterwards become due to the bankrupt, or with respect to his after-acquired property.

In certain cases the court has no option with regard to the course to be adopted. Thus, if the bankrupt has committed any of the misdemeanours set out in Section 154 of the Bankruptcy Act, 1914, or any other misdemeanour connected with his bankruptcy, or any felony connected with his bankruptcy, the discharge must be refused, unless for special reasons the court otherwise determines. The fact that the court passed only a nominal sentence might be regarded as a "special reason" for granting the discharge, but the court would probably require a period of probation. Again, on proof of certain facts (see below), the court must either—

- (1) Refuse the discharge, or
- (2) Suspend it for a period of not less than two years; or
- (3) Suspend it until a dividend of not less than 10s. in the £ has been paid to the creditors; or
- (4) Require the bankrupt, as a condition of his discharge, to consent to judgment being entered against him by the official receiver or trustee for any balance, or part of any balance of debts not satisfied at the date of the discharge, such balance to be paid out of future earnings or after-acquired property, as the court may direct. Execution on such a judgment may not issue without the leave

of the court, which may be given on proof that the bankrupt has, since his discharge, acquired property, etc., available for payments of his debts.

If at any time after the expiration of two years from the date of any order so made, the bankrupt can satisfy the court that there is no reasonable probability of his being able to comply, the court may modify the order. Suspension for as much as five years will not be imposed except in bad cases. An order for 10s. in the £ to some and not to all creditors cannot be made. In one case the court suspended a discharge for two years, where the bankrupt, after setting aside £500 a year for himself, undertook to pay the balance to the trustee until the creditors received 10s. in the £. Assets are deemed to be equal to 10s. in the £ when the property with due care in realisation might realise an amount equal to 10s. in the £ on the unsecured liabilities of the bankrupt.

(4) **Facts which may Prevent Discharge.** Under Sect. 26 of the Bankruptcy Act, 1914, the court must exercise the powers above referred to on proof of any of the following facts—

(1) **Assets not Equal to 10s. in the £.** That the assets are not equal to 10s. in the £ on the bankrupt's unsecured liabilities, unless the bankrupt satisfies the court of the fact that this state of things has arisen from circumstances for which he cannot justly be held responsible.

(2) **Omission to Keep Books.** That the bankrupt has omitted to keep such books of account as are usual and proper in the business carried on by him, and as sufficiently disclose his business transactions and financial position within the three years preceding his bankruptcy.

(3) **Trading after Insolvency.** That the bankrupt has continued to trade after knowing himself to be insolvent. A debtor does not trade after knowing himself to be insolvent who believes that a careful and prudent realisation of assets will produce 20s. in the £, although he may know that a forced sale at breaking up prices will not produce that result.

(4) **Wrongful Contraction of Debts.** That the bankrupt has contracted any debt provable in the bankruptcy without having at the time of contracting it any reasonable or probable ground of expectation (proof whereof shall lie on him) of being able to pay it.

(5) **Loss of Assets.** That the bankrupt has failed to account satisfactorily for any loss of assets, or for any deficiency of assets, to meet his liabilities.

(6) **Hazardous Speculation.** That the bankrupt has brought on or contributed to his bankruptcy by rash and hazardous speculations, or by unjustifiable extravagance in living, or by gambling, or by culpable neglect of his business affairs. "A man is not bound to keep up appearances, but to pay his debts; and if his profits will not allow of his living at the usual rate, then his plain duty is to reduce his scale of living and not to go on living out of the money of his creditors."

(7) **Vexatious Actions.** That the bankrupt has put any of his creditors to unnecessary expense by a frivolous or vexatious defence to any action properly brought against him.

(8) **Unjustifiable Expense.** That the bankrupt has within three months preceding the date of the receiving order incurred unjustifiable expense by bringing a frivolous or vexatious action.

(9) **Undue Preference.** That the bankrupt has within three months preceding the date of the

receiving order, when unable to pay his debts as they become due, given an undue preference to any of his creditors.

(10) **Fraudulently Incurring Liabilities.** That the bankrupt has, within three months preceding the date of the receiving order, incurred liabilities with a view of making his assets equal to 10s. in the £ on the amount of his unsecured creditors.

(11) **Prior Bankruptcy.** That the bankrupt has, on any previous occasion, been adjudged bankrupt, or made a composition or arrangement with his creditors.

(12) **Fraud.** That the bankrupt has been guilty of any fraud or fraudulent breach of trust.

A discharge also may be refused, suspended, or granted conditionally where the debtor has made an ante-nuptial settlement which the court thinks was made in order to defeat or delay his creditors; or was unjustifiable, having regard to the state of his affairs when it was made.

(e) **Effect of Order of Discharge.** As already hinted, discharge of the bankrupt does not release him from all debts. Thus, it does not release him from debts due on a recognisance, Crown debts, or debts due on bail bonds. He cannot be discharged from such excepted debts unless the Treasury certify their consent in writing. Discharge does not release the bankrupt from any debt or liability incurred by means of any fraud or fraudulent breach of trust to which he was a party; otherwise it releases the bankrupt from all debt provable in bankruptcy, and is conclusive evidence of the bankruptcy and of the validity of the proceedings therein; and in any proceeding instituted against a discharged bankrupt in respect of any debt from which he is released, he may plead that the cause of action occurred before his discharge.

As the order releases the bankrupt from all provable debts, it follows that a creditor who does not take the trouble to prove loses his remedy. The discharge releases all English debts in any part of the world.

Discharge, however, does not release any person who, at the date of the receiving order, was a partner or co-trustee with the bankrupt or was jointly bound, or had made any joint contract with him, or any person who was surety or in the nature of a surety for him.

A promise by a discharged bankrupt to pay a debt from which his discharge has released him is a mere *nudum pactum*, and will not support an action unless there is new and valuable consideration. An order for appropriation of pay or salary (see PROPERTY DIVISIBLE AMONGST CREDITORS) is put an end to by an order of discharge, unless expressly continued. The discharge does not exempt the debtor from being proceeded against for any criminal offence, nor does it release him from a money penalty for some offence of a criminal nature. An order of discharge does not release a bankrupt from any liability under a judgment against him in an action for seduction, or under an affiliation order, or as a co-respondent in a matrimonial cause, except as the court may order. A discharged bankrupt must give such assistance as the trustee may require in the realisation and distribution of the property vested in the trustee; and if he refuses to do so, he is guilty of a contempt of court. The court may also, if it thinks fit, revoke his discharge, but without prejudice to the validity of any sale, disposition, or payment duly made or thing duly done subsequent to the discharge, but

before its revocation. (See UNDISCHARGED BANKRUPT.)

DISCHARGE OF BILL.—So long as a bill of exchange remains in existence and is valid, there are certain rights of action upon it. But as soon as these rights have been extinguished, the bill is said to be discharged. It has ceased, in fact, to be a negotiable instrument, and even a holder in due course (*q.v.*) has no right of action upon it. But it does not follow that a holder is without any remedy at all. Perhaps he may be entitled to sue independently of the instrument. The great value of being in possession of a bill of exchange, so long as it is valid and good, cannot be overestimated from the point of bringing an action at law. But no action can arise if the bill is discharged. A discharge puts an end to the value of the document as far as an action upon it is concerned. There may still be a right of action on the consideration, but even this is lost in certain circumstances. It is most important, therefore, to know when a bill is discharged, so as to be quite certain whether there is or is not any action remaining upon it.

The most obvious and general method of discharging or extinguishing the right of action upon a bill is payment by the acceptor according to the tenor of the instrument.

"A bill is discharged by payment in due course by or on behalf of the drawee or acceptor." (Sect. 59, ss. 1)

"Payment in due course" is defined as payment made at or after the maturity of the bill to the holder in good faith and without notice that his title to the bill is defective. These various points require particular attention. If the acceptor pays at or after maturity, the bill is discharged, and no action can then be brought upon it. In considering the date of maturity of a bill, the whole of the last day for payment must be included. But if the payment is made before maturity the acceptor can re-issue the bill, since it is not discharged. And this re-issue may take place over and over again before the maturity of the bill, if there is a fresh consideration for each issue. When such a bill is re-issued, a holder in due course has a right of action against all the parties to it, just as in the case of a first issue, but any discharges by premature payment are valid as between the various parties themselves. For example, A accepts a bill which is negotiated through several parties, and which eventually gets into the hands of B. B indorses it for value to A before maturity. A immediately negotiates it by indorsing it for value to C. At maturity, C can sue all the parties to the bill. Again, if a bill which is indorsed in blank is paid by the acceptor before it is due, and the acceptor afterwards loses it before maturity, a holder in due course can recover on the bill, having his right of action against all parties to the bill, including the acceptor.

It is a matter of the utmost importance to an acceptor who pays a bill before maturity to put it into his possession and to destroy it at once, unless he re-issues it. If he fails to do so, he is in exactly the same position as if the bill had been paid before maturity and lost.

These remarks as to premature payment can only apply to bills which are payable at a determinable future time. They have no reference to those which are payable on demand, since such bills cannot be prematurely paid, being due the moment they are presented. If, then, an acceptor pays a bill payable

on demand and takes it, he cannot re-issue it at all. If he does so, it is valueless even in the hands of a holder for value. No person, therefore, should take a bill payable on demand from the acceptor, in the first instance, if the bill bears the indorsement of the payee or of any other person. It is quite clear that where the acceptor of a bill is, or becomes, the holder of it at or after its maturity in his own right the bill is discharged.

The payment must be made to the person who is the holder or to some person duly authorised by him, in order to operate as a discharge. If there is any doubt on the part of the acceptor as to the identity of the holder, an indemnity should be asked for, though it need not be given. There can be no doubt that possession is *prima facie* evidence of the identity of the holder, at least in the United Kingdom; and that where a holder does present a bill for payment to the acceptor, the latter must pay or refuse payment at his own peril. If it turns out eventually that he has paid the wrong person, he may be called upon to pay a second time; if he refuses to pay, he runs the risk of an action being brought against him. But where it can be shown that the payment has been made by the acceptor in good faith, and without any notice of defect of title, the payment is valid and the bill is discharged.

Payment will not operate as a discharge of a bill unless it is made by or on behalf of the acceptor, and made at or after maturity. Payment by the drawer or by an indorser does not, except in the case of an accommodation bill, where the drawer or the indorser is the person accommodated, act as a discharge. It is necessary, however, to examine the position of the parties in different cases. Where a bill is drawn payable to, or to the order of, a third party, and the drawer himself pays the holder, although the bill is not discharged, the drawer cannot re-issue it. His only remedy is against the acceptor who has not met it when presented to him for payment. If the bill is payable to the drawer's order and after being dishonoured is paid by the drawer, the drawer, in addition to his remedy by action against the acceptor, may also strike out his own and all subsequent indorsements and again negotiate the bill. It is not advisable, however, for persons to take such a bill unless there are special circumstances for so doing. An indorser who pays the holder and takes the bill, a process which is known as "returning the bill," is in the same position as the drawer to whom or to whose order a bill is made payable. He may sue the acceptor or any antecedent parties, or he may, if he thinks fit, strike out his own and subsequent indorsements, and once more negotiate the bill.

If the whole of the amount of a bill is not paid in due course by the acceptor, but a part only, the right of the holder is reduced by the amount paid, and he may sue for the balance. In the case of part payment by the drawer or the indorser, where the bill is retained by the holder—for a holder is not bound to give up his document until he has been paid in full—the holder may still pursue his remedies by action; but if he receives the amount from the acceptor, he is a trustee as to the balance beyond what is due to himself on the bill, and he is bound to hand over that balance to the drawer or the indorser who has made the part payment.

It is not always possible for a person who has paid a bill by mistake to recover the money from the person to whom he has paid it, and who cannot give a discharge for the bill owing to forgery, alteration,

or cancellation; but there appear to be two rules which may be regarded as summing up the law upon this subject. The first is that the person who pays a bill which has been forged, altered, or cancelled may reclaim the money if he has been deceived through the negligence of any party who ought to have exercised care with regard to him, and if he himself has not been guilty of any negligence. The second is that money similarly paid can be recovered from the payee if the latter was not acting throughout in good faith.

The handing over of a bill which has been met is a sufficient discharge of the instrument. But if a receipt is written upon it, a *Id.* stamp is now necessary, since the passing of the Finance Act, 1895.

When the holder of a bill at or after its maturity absolutely and unconditionally renounces his rights against the acceptor, the bill is discharged, that is, there is no longer any right of action upon it. But the renunciation must be in writing, unless the bill is delivered up to the acceptor. The absolute and unconditional renunciation must be made to the acceptor at or after maturity. There cannot afterwards be a holder in due course. If it is made before maturity and the bill again gets into circulation, the rights of a holder in due course who has had no notice of the renunciation are in no way affected. A holder may renounce his particular rights against any other party to the bill, other than the acceptor, before, at, or after its maturity. This must also be made in writing, but no renunciation of this kind discharges the bill. All rights are preserved against the other parties. Thus, the holder of a bill before maturity writes to the first indorser saying that he renounces all rights in the bill against him. The whole of the indorsers are discharged. But the drawer and the acceptor still remain liable. If the bill is afterwards negotiated to a holder in due course no renunciation is of any value. The holder in due course who has taken the bill without any notice of renunciation has his rights against all the parties as though nothing has happened. It appears that a bill is discharged if it is delivered at or after maturity to the executors or administrators of a deceased acceptor, but this is not so if the bill is delivered to the devisee of the acceptor. It is very uncommon to find cases of renunciation in practice. It would always be advisable where there is a renunciation that a note or memorandum of it should be indorsed upon the bill. Such a note would serve as notice to any person to whom the bill was afterwards negotiated.

Another method of discharging a bill is by cancellation on the part of the holder or his agent, the cancellation being intentionally made and apparent on the face of the bill. And just as a holder may renounce his rights against any particular indorser, as was shown in the last paragraph, so he may discharge any indorser by intentionally cancelling that indorser's signature; and where an indorser is discharged, all subsequent indorsers, who might have had a right of recourse against him, are discharged. In the words of the Act—

"Where a bill is intentionally cancelled by the holder or his agent, and the cancellation is apparent thereon, the bill is discharged. In like manner any party liable on a bill may be discharged by the intentional cancellation of his signature by the holder or his agent. In such case any indorser who would have had a right of recourse against the party whose signature is cancelled is also discharged" (Sec. 63).

Thus, the holder of a bill intentionally strikes out the acceptor's signature. The bill is discharged, and no one can maintain an action upon it. But if the cancellation is not apparent upon the face of the bill, and the holder afterwards negotiates it to a holder in due course, such holder in due course is not prejudiced by the cancellation and can sue the acceptor. Where a cancellation is made unintentionally, or under a mistake, or without the authority of the holder, such cancellation is entirely inoperative. But in any action upon a bill where the bill itself or any signature thereon appears to have been cancelled,

"The burden of proof lies on the party who alleges that the cancellation was made unintentionally, or under a mistake, or without authority" (Sec. 63, s.s. 3).

In such a case the holder ought at once to mark the bill or the cancelled signature "cancelled by mistake," and add his signature or his initials.

A bill is avoided, that is, no action can be maintained upon it, when there has been a material alteration made without the assent of all parties, except as against the party who has made, authorised, or assented to the alteration and all subsequent indorsers. (See ALTERATION OF BILLS AND CHEQUES)

Very few words are necessary as to the discharge of a cheque. So long as it remains in circulation, an action may be maintained upon it, subject to various defences; but when it has been paid by the banker upon whom it is drawn, the common practice is for the banker to cancel the signature and then the cheque is discharged.

DISCHARGING CARGO.—In all maritime transactions expedition is of the utmost importance, for even by a short delay the season or object of a voyage may be lost. Where the time is expressly ascertained and limited by the terms of the contract, the merchant will be liable to an action for damages if the thing is not done within the time, although this may not be attributable to any fault or omission on his part, for he has engaged that it shall be done. If the merchant is the author of the delay by which expenses are afterwards occasioned, those expenses will fall on him. Difficult questions may sometimes arise as to the circumstances which ought to be taken into consideration in determining what time is reasonable for discharging cargo. The question whether the time was reasonable or unreasonable ought to be judged with reference to the means and facilities available at the port, and to the regulations and course of business at the port. An agreement that a vessel shall deliver her cargo "as fast as the custom of the port will allow," if there is no custom, means that the vessel shall be discharged with reasonable dispatch. Although a charterer may contract to load or discharge a ship in a given time, it does not follow that the shipowner can, in all such cases, enforce that contract against the consignee or the person who receives the cargo, so as to recover demurrage or damages for detention, even when that detention has been incurred at the port of discharge. The port of discharge is generally a place of wide extent, some parts of which only are suitable for the discharge. In determining the place and mode of discharging, the shipowner must conform to the regulations and the ordinary practices of the place. Where there are several places in the port at which the cargo may properly be discharged, the option, in the case of a general ship, lies with the shipowner, unless

the matter is controlled by a usage of the port; but where the ship is under charter, it has been held that the shipowner must obey the directions of the charterer, or of the assignees of the cargo, as to which discharging place to go to. The manner of discharging is also, in the absence of special terms, to be determined by reference to the regulations and practices of the port of discharge. These will show whether the goods should be discharged in the open water, or at a wharf, or in dock; and whether on to the wharf or quay, or into a hulk or lighters alongside the ship. As a general rule, it is the duty of the consignee of the goods or the charterer to remove the goods from the ship's side, and to supply for that purpose a proper number of men and suitable appliances ordinarily used at the port, having regard to the manner in which the ship is to be discharged. The shipowner must supply the necessary men and appliances for getting the goods out of the holds, and delivering them upon the deck, or at the ship's side. The shipowner must sort the goods so as to give delivery to the several consignees, but where goods have been shipped in bulk, as one parcel, the consignee cannot require the shipowner to separate them. As a general rule, the shipowner discharges his duty when he makes delivery at the ship's side, or, at most, on the quay. In the absence of a special agreement, the master is under no obligation to notify the arrival of the ship to the consignees of the cargo; they are bound to watch for it. Where the consignee fails to claim the goods, the master may land and warehouse them, and the consignee will be liable for any expenses incurred through his neglect to claim them.

DISCLAIMER OF ONEROUS PROPERTY.—(a) **Generally.** A trustee in bankruptcy is not bound to take over all the heavy responsibilities which the performance of the bankrupt's contracts, partially performed at the date of the bankruptcy, might impose upon him. The law allows the trustee in certain cases to "disclaim" contracts which he considers are onerous. Full particulars of the right of disclaimer are set out in section 54 of the Bankruptcy Act, 1914.

The intention of the legislature is, however, while providing for the relief of the trustee from onerous obligations, to do so with as little disturbance as may be of the rights and liabilities of third persons by reason of the disclaimer. The Bankruptcy Act provides that where any part of the property of the bankrupt consists of land, is burdened with onerous covenants, or shares or stock in companies, or unprofitable contracts, or of any other property that is unsaleable, or not readily saleable, by reason of its binding the possessor to the performance of any onerous act, or to the payment of money, the trustee, although he has endeavoured to sell or has taken possession of, or has exercised acts of ownership in relation thereto, may, subject to certain formalities, at any time within twelve months of his appointment as trustee, disclaim the property. Where any such property does not come to the knowledge of the trustee within one month after his appointment, he may disclaim at any time within twelve months after he has first become aware of it. The disclaimer must be in writing signed by the trustee. A written disclaimer signed by the trustee's solicitor is invalid. The disclaimer is inoperative until it has been filed. It puts an end to the rights, interests, and liabilities of the bankrupt in respect of the property disclaimed, and

discharges the trustee from all personal liability in respect of such property. Except so far as is necessary for the purpose of releasing the bankrupt, his property, and the trustee from liability, it does not affect the rights and liabilities of any other person. The trustee may disclaim freehold property if it is burdened with onerous covenants, and he may also disclaim shares.

(b) **Disclaimer of Leaseholds.** A trustee cannot disclaim a lease without the leave of the court, except as prescribed by general rules. The court may, before granting leave, require notice to be given to persons interested, and impose terms as a condition of granting leave, and make orders with respect to fixtures, tenant's improvements, and other matters arising out of the tenancy. It will be seen from this that in the case of leaseholds there may be: (1) disclaimer without leave, and (2) disclaimer with leave.

(1) **Disclaimer without Leave.** Leave to disclaim is unnecessary (a) where the bankrupt has not sub-let any part of the premises or mortgaged the lease, and (i) the rent reserved and real value of the property leased are less than £20 per annum, or (ii) the estate is the subject of a summary administration (see *SMALL BANKRUPTCIES*), or (iii) the trustee serves the lessor with notice of his intention to disclaim, and the lessor does not, within seven days, give notice to the trustee requiring the matter to be brought before the court; (b) where the bankrupt has sub-let the premises or mortgaged the lease, and the trustee serves the lessor and the sub-lessee or the mortgagees with notice of his intention to disclaim, and none of them, within fourteen days requires the matter to be brought before the court. Where a lease may be disclaimed without leave, the court cannot order compensation to the landlord.

(2) **Disclaimer with Leave.** In other cases, leave must be obtained, and a *parol* tenancy, such as a tenancy from year to year, can only be disclaimed by leave. A lease may be disclaimed, although the term has expired by effluxion of time or by forfeiture. The court has power to impose terms upon a trustee who seeks to disclaim, and in determining what the trustee ought to pay, regard must be had to the question whether the occupation has either in fact produced a benefit to the bankrupt's estate, or was contemplated as likely to produce a benefit.

Questions as to disclaimer frequently arise in connection with landlord and tenant. If the bankrupt is a lessee, the trustee can free himself from all liability by disclaimer within the twelve months. The lease is put an end to by the disclaimer; but if there is a sub-lessee in possession, he cannot be ejected on disclaimer by the trustee of the lessee. The landlord may, however, distrain for the rent in arrear. If the bankrupt is assignee of the lease, and the lease is disclaimed, the rights of the landlord and the lessee are unaffected by the disclaimer.

(c) **Loss of Right to Disclaim.** A trustee loses his right to disclaim if an application in writing has been made to the trustee by any person interested in the property requiring him to decide whether he will disclaim or not, and he has for twenty-eight days after the application, or such extended period as may be allowed by the court, declined or neglected to give notice whether he disclaims or not. In the case of a contract, if the trustee, after application, does not disclaim the contract, he will be deemed to adopt it. Failure to decide within this period

may render the trustee personally liable for the payment of rent and costs, if he desire to disclaim.

(d) **Rescission of Onerous Contract.** The court may make an order rescinding bankrupt's contract on such terms as to payment by or to either party of damages for the non-performance of the contract, or otherwise as may seem equitable, and damages payable under the order to any person may be proved by him as a debt under the bankruptcy.

(e) **Vesting Orders.** The court may vest disclaimed property in any person entitled thereto, or in any person to whom it may seem just that the same should be delivered by way of compensation for liability incurred owing to disclaimer, or to a trustee for him, and on such terms as the court thinks fit. On a vesting order being made, the property vests without any conveyance or assignment for the purpose. The court has power to make a vesting order, not merely of the interest which the person making the application had in the disclaimed property before the bankruptcy, but if necessary it may make an order for the vesting in him by way of compensation of something to which he was not previously entitled. Where property disclaimed is leasehold, the court cannot make a vesting order in favour of an under-lessee or mortgagee by demise unless such person becomes subject to the liabilities and obligations of the bankrupt at the date when the bankruptcy petition was filed. If there be no person claiming under the bankrupt who is willing to accept such terms, the court has power to vest the bankrupt's estate and interest in the property of any person, freed and discharged from all estate incumbrances and interest created by the bankrupt. A mortgagee or sub-lessee from a bankrupt lessee can, as a rule, only obtain a vesting order upon the terms and conditions above mentioned. The persons most likely to seek for vesting orders are sub-lessees and mortgagees. It is competent for the landlord of a bankrupt lessee to apply for an order vesting the property in the mortgagee, subject to the liabilities of the original lease. When a mortgagee does not appear on a debtor's application, the court will exclude him from all interest in and security on the property, unless he shall soon declare his option to taking a vesting order. A person claiming an interest in the property must, on request of the official receiver or trustee, furnish a statement of his interest.

(f) **Persons Injured by Disclaimer.** A person injured by a disclaimer is deemed to be a creditor of the bankrupt to the extent of the injury and may prove for that injury as for a debt under the bankruptcy.

Where a bankrupt was a lessee for a term of years at £500 a year, and the trustee disclaimed, the landlord showed that he was unable to let his premises at so high a rent. It was held that he was entitled to prove in the bankruptcy for the difference between the present value and £500 a year for the remainder of the term. Again, if the trustee disclaim shares partly paid up, the company may prove for the whole of the unpaid calls, less any value which may be attached to the shares.

DISCONTINUANCE.—The technical term for abandoning an action at law. Both the plaintiff and the defendant can put an end to their action if they choose to do so, but except in the case of a plaintiff's giving notice in writing before the defence has been delivered that he intends to abandon his action, discontinuance is impossible without the leave of the court, and this leave will only be

granted upon special terms. (See **ABANDONMENT OF ACTION**.)

DISCOUNT.—An allowance from the quoted price of goods, made usually by a percentage on the price, and may be trade discount or cash discount. Trade discount is an allowance made from the usual invoice price, and is usually at a high rate per cent., ranging from $7\frac{1}{2}$ per cent. to $7\frac{3}{4}$ per cent. It depends upon three things—

(a) The usual custom of the trade as to the discount allowed;

(b) The length of time to elapse before the debt becomes due;

(c) The market rate of interest.

Cash discount is an allowance made for the payment of accounts within stated periods, and is usually at a small rate per cent., ranging from $1\frac{1}{4}$ per cent. to 6 per cent. It is deducted from the statement on settlement of the account, and is looked upon as being earned by the cash in contradistinction to the earnings arising from trading. In some businesses, cash discount is computed in days, and is allowed at a certain rate per cent. for the number of days intervening between the date on which settlement is made and that on which the account becomes due for net terms.

True discount, although bearing the name, is not in reality discount, but is the amount representing interest from any given date to the due date of a debt calculated on its true present worth, the true present worth being the amount which, with interest, will amount to the same amount as the debt by its due date. In business transactions, however, true discount is never met with, but the calculation is invariably made, especially from a banker's point of view, as though the allowance to be made was interest upon the sum payable. Thus, if discount is allowed for twelve months at the rate of 5 per cent upon a debt of £1,000, the sum of £50 is deducted and the debt is paid by handing over the sum of £950. This is what is known as banker's discount. This is not, however, an accurate calculation of discount. The problem that should be really presented is this: What is the sum of money which will, at the given rate of interest, amount at the end of the given period to the value of the deferred payment? The method of determining this is to take the sum of £1, and to find the amount of it for the given time, and then to divide the given sum by that amount. The quotient will give the correct answer. Thus, suppose it is required to find the true discount of £1,000 to be paid twelve months hence, at the rate of 5 per cent. The amount of £1 is £1.05. Divide £1,000 by £1.05, and the quotient is £952 7s. 7 $\frac{1}{2}$ d. The true discount is, therefore, £47 12s. 4 $\frac{1}{2}$ d., and not £50 as in banker's discount. Similarly, the true discount on £500 at 5 per cent. is £4 15s. 2 $\frac{1}{2}$ d., and not £5 as it would be if calculated on the basis of banker's discount.

It is obvious, therefore, that when a tradesman, who calculates upon this basis, allows £5 upon a debt of £100, he is giving a discount of more than 5 per cent. The creditor is the gainer; and so, when a banker discounts a bill of £100 and pays the holder £95 for it, the banker will, at the maturity of the bill, when he receives £100 for it, obtain more than 5 per cent. for the money he has advanced. In point of fact, he will obtain £5 for an advance of £95, and his gain will be 5 $\frac{1}{4}$ per cent.

The rate of discount varies according to the demand for money, and in the case of bills of

exchange, the rate is dependent upon the Bank of England Rate, the length of time before the bill matures, and the quality of the bill. If there is any doubt as to the payment of the bill at maturity, *i.e.*, if there is any doubt as to the financial stability of the debtor, the risk is taken into account by charging a higher rate than in the case of a bill which may be regarded as certain to be paid when it falls due.

In certain trades an allowance is made, called a trade discount, according to the particular class of the trade or the goods, and altogether irrespective of any time of payment. The rate of discount varies with the extent of the trade which is done by a particular customer. By this method a trader is enabled to issue a circular containing what are known as "list prices," which are applicable to all buyers, and an adjustment in prices is made after purchases have been effected. When it becomes necessary for a debt to be proved in bankruptcy (*q.v.*), or in the winding-up of a company (*q.v.*), a creditor is bound to deduct all usual trade discounts, but he is not compelled to allow more than 5 per cent. on the net amount of his claim, which he may have agreed to allow for cash payment.

The term "discount" is very frequently applied to denote the depreciation in value of any investment. Thus, where the shares of a company which are issued at £1 each have decreased in market value to 15s., the shares are said to be at a discount of 25 per cent. Conversely, if the market value of shares is higher than their nominal value, they are said to be at a premium.

DISCOUNT, AT A.—When the market value of bonds, stocks, or shares is below the nominal or face value of the same, they are said to be at a discount, or "below par" (See *PAR*).

DISCOUNTING A BILL.—When the holder of a bill of exchange is desirous of obtaining money for it instead of waiting until the due date of payment arrives, he disposes of the same at a price which is less than its face value, and parts with all property in the same for a present consideration. In point of fact, he sells the bill. The price that is obtainable for a bill is dependent upon certain special circumstances, such as the state of the money market, the Bank of England Rate, the length of time the bill has to run, and, more particularly, the commercial standing of the persons who are parties to the bill, the drawer, the acceptor, and the indorsers.

It is in connection with bills of exchange that the word "discount" is most familiarly used, and the operation of discounting bills is one of the most common and important functions of ordinary banks. Bills are, in fact, the stock-in-trade of banks, and they are bought and sold with the same regularity as are the goods of the ordinary trader. If there is a large supply of good bills, they are the most eligible of all banking investments, because their dates of maturity are fixed, and it is known almost to a certainty when the money which is advanced together with the interest due, will be repaid. The banker who discounts a bill charges his profit at the time when he makes the advance, and he is, consequently, the gainer whether the customer draws out the money or not. It may also happen that the various parties to a bill are all customers of the same bank. If this is so, numerous transactions may take place by means of cheques, and there will be nothing except a transfer of credits from one account to another during the currency of the

bill, and the banker will not then be called upon to provide one single penny in actual coin; and the gain is the same when the various transactions in connection with bills take place through the medium of the Clearing House (*q.v.*), when the various bankers concerned are members of it.

In discounting bills of exchange, the calculation is not based upon the principle of true discount, but the seller is charged interest at the discount rate upon the face value of the bill. (See *DISCOUNT*.) It follows, therefore, that discount is more profitable than interest, and the profit rapidly increases with the advance of the rate of discount. Thus, suppose a money lender advances a loan at 25 per cent. interest. For each £100 advanced he would, at the end of the year, receive £125; but suppose he discounts a bill for £100 at the same rate. The advance would be £75, and in return he would receive £25 as interest for the £75, *i.e.*, 33½ per cent. The following table shows the difference in profit per cent. in trading by way of interest and discount—

Interest.	Discount.	Interest.	Discount.
1	1.010101	20	25 000000
2	2.040816	30	42.857142
3	3.092783	40	66.666666
4	4.166666	50	100 000000
5	5.263157	60	150 000000
6	6.382968	70	233 000000
7	7.526881	80	400 000000
8	8.695652	90	900 000000
9	9.890109	100	Infinite.
10	11.111111		

It is necessary to distinguish the discounting of a bill from the pledge or the deposit of a bill as a security. A discounter, such as a banker, is a holder for full value, and he is entitled, upon the maturity of the instrument, to recover the amount of the same from any of the parties to the bill, in the absence of any such defences as forgery, fraud, etc.; but the pledgee is not so fortunately placed. If he sues a third party, he sues as trustee for the pledgor, as regards the difference between the amount he has advanced and the amount of the bill. If, therefore, the pledgor could have stood upon the bill, the pledgee is able to recover the whole; but if the title of the pledgor is in any way defective, the pledgee cannot recover more than the amount of his advance, and only then if he has taken the bill without notice of the defect in the title of the pledgor.

DISCOVERY.—This is the name given to a certain part of the interlocutory proceedings (*q.v.*) in the conduct of a civil action at law. By means of it each party may compel his opponent to declare upon affidavit what documents are in his possession which relate to the subject-matter of the litigation. Its object is to reduce the question or questions in dispute to the narrowest limits by compelling a full disclosure of the documentary evidence upon which each party relies, and thus preventing surprise and a protracted investigation when the case comes on for trial. Under the name "discovery" is included the process by which interrogatories are applied, *i.e.*, certain questions, previously allowed by the court, which must be

answered on oath and which may be used as evidence at the trial. Discovery is only applicable in civil cases, never in criminal. It applies equally to proceedings in the High Court and the county court.

DISCRETIONARY ORDER.—This is an order which is sent by a person who is speculating upon the Stock Exchange to his broker, accompanied by the usual amount of cover, authorising the broker to purchase a certain amount of stock or shares, but leaving to the broker absolute discretion as to the stock or shares to be purchased.

DISSEMBARKMENT.—The act of landing goods which have been consigned by ship from one port to another.

DISHONOUR OF BILL OF EXCHANGE.—A bill of exchange is said to be dishonoured when there is a refusal on the part of the drawee to accept the same, or when, after the bill has been accepted, the acceptor refuses to pay the amount of the bill or the due date of payment. When a bill is dishonoured by non-acceptance, the holder (*q.v.*) has an immediate right of recourse against the drawer and any of the indorsers, and when the bill is dishonoured by non-payment there is a similar right against the acceptor as well as against all the other parties. In addition, a bill is further dishonoured by non-payment when presentment is excused, and the bill is overdue and unpaid.

Notice of Dishonour. But before he can avail himself of these drastic remedies, the holder must strictly comply with all the requisite rules. First of all, he must give notice of dishonour. This is the formal notice that the bill has been refused acceptance or payment. As will be pointed out later, there are various cases in which notice of dishonour is excused. But it is not to be imagined that any reliance can be placed upon the fact that the drawer or the indorser of the bill is fully aware of the fact of dishonour. In order to hold any of such persons liable, notice of dishonour must be given to each of them. The drawer or any indorser to whom notice is not given is discharged from all liability, both upon the bill and upon the consideration for it. A very slight contemplation will make the reason for this strictness apparent. The person who is a party to a bill is aware of the fact that he may be called upon at a certain time to meet the same. It is presumed that he puts aside funds in order to liquidate his liability. It would be unjust that he should be compelled to lock his money up indefinitely. The law, then, allows him to assume that if the due date of payment passes by, and if he has received no information that the bill has been dishonoured, the bill has been met in the ordinary course, and his liability is at an end.

These statements must be taken subject to Section 48 of the Act of 1882, which provides—

"(1) Where a bill is dishonoured by non-acceptance, and notice of dishonour is not given, the rights of a holder in due course, subsequent to the omission, shall not be prejudiced by the omission.

"(2) Where a bill is dishonoured by non-acceptance and due notice of dishonour is given, it shall not be necessary to give notice of a subsequent dishonour by non-payment unless the bill shall in the meantime have been accepted."

These two statements may be illustrated as follows: A bill is drawn and indorsed by several parties. The last transferee presents it for acceptance to the

drawee. Acceptance is refused. The holder should at once give notice of dishonour, and as far as he is concerned the failure to do so is fatal to his rights. But if instead of giving the notice he transfers the bill to a holder in due course (*q.v.*), such holder is not prejudiced by the failure of his transferor to give the notice, but he may do so himself if, upon his presenting the bill to the drawee, it is again refused acceptance, and the parties to it are liable. In the second case a similar bill is presented for acceptance by the holder and acceptance is refused. Notice of dishonour is given to charge the parties. Before any action is brought the drawee accepts when the bill is again presented to him. Notice of dishonour by non-payment must be given if payment is refused in due course, although there had been the previous notice of dishonour for non-acceptance.

Rules as to Notice of Dishonour. The following fifteen rules are laid down by Section 49 of the Act, in accordance with which notice of dishonour must be given—

"(1) The notice must be given by or on behalf of the holder, or by or on behalf of an indorser who, at the time of giving it, is himself liable on the bill:

"(2) Notice of dishonour may be given by an agent either in his own name, or in the name of any party entitled to give notice, whether that party is his principal or not:

"(3) Where the notice is given by or on behalf of the holder, it enures for the benefit of all subsequent holders and all prior indorsers who have a right of recourse against the party to whom it is given:

"(4) Where notice is given by or on behalf of an indorser entitled to give notice as heretofore provided, it enures for the benefit of the holder and all indorsers subsequent to the party to whom notice is given:

"(5) The notice may be given in writing or by personal communication, and may be given in any terms which sufficiently identify the bill, and intimate that the bill has been dishonoured by non-acceptance or non-payment:

"(6) The return of a dishonoured bill to the drawer or an indorser is, in point of form, deemed a sufficient notice of dishonour:

"(7) A written notice need not be signed, and an insufficient written notice may be supplemented and validated by verbal communication. A mis-description of the bill will not vitiate the notice unless the party to whom the notice is given is, in fact, misled hereby:

"(8) Where notice of dishonour is required to be given to any person, it may be given either to the party himself, or to his agent in that behalf:

"(9) Where the drawer or the indorser is dead, and the party giving notice knows it, the notice must be given to the personal representative, if there is one, with reasonable diligence:

"(10) Where the drawer or the indorser is bankrupt, notice may be given either to the party himself or to the trustee in bankruptcy:

"(11) Where there are two or more drawers or indorsers who are not partners, notice must be given to each of them, unless one of them has authority to receive such notice for the others:

"(12) The notice must be given within a reasonable time after the bill is dishonoured. In the absence of special circumstances, notice will not

be deemed to have been given within a reasonable time unless—

"(a) Where the person giving and the person to receive notice reside in the same place, the notice is given or sent off in time to reach the latter on the day after the dishonour of the bill;

"(b) Where the person giving and the person to receive notice reside in different places, the notice is sent off on the day after the dishonour of the bill, if there is a post at a convenient hour on that day, and if there is no such post on that day, then by the next post thereafter;

"(13) Where a bill, when dishonoured, is in the hands of an agent, he may either himself give notice to the parties liable on the bill, or he may give notice to his principal. If he gives notice to his principal, he must do so within the same time as if he were the holder, and the principal upon receipt of such notice has himself the same time for giving notice as if the agent had been an independent holder;

"(14) Where a party to a bill receives due notice of dishonour, he has, after the receipt of such notice the same period of time for giving notice to antecedent parties that the holder has after the dishonour;

"(15) Where a notice of dishonour is duly addressed and posted, the sender is deemed to have given due notice of dishonour, notwithstanding any miscarriage by the Post Office."

These rules, as laid down by the Act, may be made clearer by the following observations: It is a matter of importance to make as many persons as possible liable when a bill is dishonoured. The holder must select the persons to whom he wishes to give notice of dishonour. If he gives the notice to his transferor, the transferor is liable to him, though the transferor can, in turn, give notice to any previous party. But if the holder applies direct to the drawer, the notice of dishonour is good as though given by any of the prior indorsers. So also if an indorser gives notice, his notice not only serves as a notice by the holder, but is also for the benefit of all indorsers prior to himself and subsequent to the party to whom the notice is given. No special form of notice of dishonour is given in the Act, and so long as sufficient particulars are set out in the notice, it is improbable that any exception would be taken to the same on the ground of irregularity, provided it was not likely to mislead the recipient. The following example will suffice—

115, North Street, Sheffield,
March 1st, 19

Take notice that a bill of exchange for £200 drawn by you (or indorsed by you) upon A. B., dated and payable at (adding, if addressed to indorser, and which bears your indorsement) has been dishonoured by non-acceptance (or non-payment), and that you are held responsible therefor.

Charles Dickinson.

In the case of a foreign bill (*q.v.*), the words "and protested" must be added, if the bill has been noted and protested. The great point to be aimed at is the identification of the bill, together with any words which make it clear that acceptance or payment has not been obtained. The return of a dishonoured bill is notice of dishonour, but no sensible person

would ever think of parting with the best evidence of his claim. As in most cases connected with bills of exchange, whatever is to be done by any party may be effected by his duly authorised agent.

Time for Giving Notice. The rules as to time for giving notice are of the utmost importance, and it is very difficult to get over any delay or mistake in this respect.

By Section 50 (s. 1) of the Act—

"Delay in giving notice of dishonour is excused where the delay is caused by circumstances beyond the control of the party giving notice, and not imputable to his default, misconduct, or negligence. When the cause of delay ceases to operate, the notice must be given with reasonable diligence."

This provision is made so that any person who receives notice of dishonour may have the same time allowed as any other prior person giving notice in which he himself may notify any other party to the bill in order to render him liable. When there are many indorsers the time consumed would be very considerable unless stringent restrictions were placed upon the giving of notice. Therefore, if a holder delays to give notice of dishonour within the proper time, he discharges a previous indorser, and the original notice being invalid, no subsequent notice can be good.

Remote Parties. In dealing with bills of exchange, there is a difference between immediate parties and remote parties. By immediate parties, those persons are indicated who are more immediately in contact with each other. Such are the drawer and the acceptor, an indorser and the next indorsee. All other parties are called remote. An illustration may serve to show how remote parties must be dealt with in order to render them liable on a bill. Suppose a bill is drawn and afterwards negotiated, and the names of several indorsers appear on the document. The bill is dishonoured when presented by the holder, either by non-acceptance or by non-payment. The holder must give notice of dishonour to any person or persons whom he wishes to charge. If he knows the address of the drawer and of some, but not all, of the indorsers, he should send notice to each of those that he knows. Then each indorser has the same time, after receiving notice which the holder had after dishonour, in which to give notice to any indorser he wishes to charge. If the notice is given in due time, each party is liable, and the holder, upon proving that notice has been duly given, can sue any of the parties. But if there is any delay on the part of any of the parties in giving notice, the party who does not receive notice is exonerated from his liability, and so are all previous indorsers, since they, in turn, cannot receive the notice in due time. The holder, therefore, cannot sue any party except those to whom the proper notice has been given.

Notice by Post. As the post is generally made use of for the purpose of serving notices, it is essential that there should always be complete evidence forthcoming, if necessary, that the notice was duly posted. A copy of the notice should be preserved, and the person who actually posted the letter should be called as a witness. It must also be proved that the letter was not returned through the Dead Letter Office.

Notice of Dishonour Dispensed With. The importance of giving notice of dishonour cannot be

over-estimated, and it is advisable where a bill is dishonoured that notice should be given in every case, although it is provided by the Act that in some instances it may be dispensed with. These instances are as follows—

"(a) When, after the exercise of reasonable diligence, notice cannot be given to or does not reach the drawer or indorser sought to be charged ;

"(b) By waiver express or implied. Notice of dishonour may be waived before the time of giving notice has arrived, or after the omission to give due notice ;

"(c) As regards the drawer in the following cases, viz —

"(1) Where the drawer and the drawee are the same person.

"(2) Where the drawer is a fictitious person or a person not having capacity to contract.

"(3) Where the drawer is the person to whom the bill is presented for payment.

"(4) Where the drawee or acceptor is as between himself and the drawer under no obligation to accept or pay the bill.

"(5) Where the drawer has countermanded payment.

"(d) As regards an indorser in the following cases, viz —

"(1) Where the drawee is a fictitious person or a person not having capacity to contract, and the indorser was aware of the fact at the time he indorsed the bill.

"(2) Where the indorser is the person to whom the bill is presented for payment.

"(3) Where the bill was accepted or made for his accommodation."

It is quite clear that in law the acceptor of a bill is not entitled to any notice of dishonour when the bill is dishonoured by non-payment. The same rule applies to a person who has guaranteed payment by the acceptor. As to waiver of notice, when this is given in favour of a holder by the drawer, it applies also to all parties prior to the holder as well as to any subsequent holders. But if the waiver is given by an indorser, this only affects the indorser and the parties subsequent to him, as far as the indorser is concerned. Notice of dishonour must be given in due course to all prior indorsers. The party who waives notice of dishonour must be fully acquainted with all the circumstances of the case in order to make the waiver of any value.

In addition to giving notice of dishonour, the holder of a dishonoured inland bill may, if he thinks fit, cause the bill to be noted and protested (See NOTING A BILL, PROTESTING A BILL.)

DISPATCH MONEY.—This is a chartering term which is used to denote an allowance of so much per day or so much per hour, sometimes granted by the owners of a vessel to the charterer when the latter has loaded or unloaded a vessel before the stipulated lay days (*q.v.*) are finished.

DISQUALIFICATIONS OF BANKRUPT.—Bankruptcy subjects a man to very serious disabilities. While he is bankrupt no man can sit or vote in the House of Lords or any committee thereof, nor can he be elected as a peer of Scotland or of Ireland to sit and vote in the House of Lords. Nor can a bankrupt be elected to or sit in the House of Commons, or any committee thereof. He is also disqualified from being elected or appointed or acting as a justice of the peace, mayor, alderman, or councillor, or from taking any official part in the local government of the country. Disqualification

lasts for a period of five years from the date of the discharge. An undischarged bankrupt cannot be a member or chairman of a parish council, rural district council, or board of guardians, if he has within five years before his election, or since his election, been adjudged bankrupt or compounded with his creditors.

Disqualifications cease if and when adjudication of bankruptcy is annulled ; or if a certificate is granted with the discharge to the effect that the bankruptcy was caused by the bankrupt's misfortune without any misconduct on his part.

If a member of the House of Commons is adjudged bankrupt, and the disqualifications arising therefrom under the Act are not removed within six months from the date of the order, the court shall, immediately after the expiration of that time, certify the same to the Speaker, and thereupon the seat of the member becomes vacant. If a person is adjudged bankrupt whilst holding the office of mayor, alderman, councillor, etc., his office is immediately vacated.

The disqualifications of a bankrupt as above stated are those imposed by the Bankruptcy Acts of 1883 and 1890, and the Local Government Act, 1894. These were in no way affected or altered by the Bankruptcy Act, 1914.

DISSECTION.—This is a term which is met with in accounts, especially in those accounts dealing with departmental trade, and it signifies the separation of the accounts of sales and purchases, so as to show the workings of the various departments of the house.

DISSEISE.—To deprive a freeholder of his seisin or possession of an estate.

DISSEISIN.—The deprivation of a person of the seisin or possession of an estate of freehold.

DISSOLUTION OF PARTNERSHIP.—This phrase signifies the termination of a partnership, or the breaking up of a firm, caused by the voluntary retirement of one or more of the partners, or by the operation of law (See PARTNERSHIP.)

DISTILLERS.—The Spirits Act, 1880, consolidated and amended the law relative to the sale of spirits. No person may distil, rectify, or compound spirits, without a licence. The penalty for disobedience is £500, and the forfeit of all vessels and materials. Every person is deemed to be a distiller who makes or keeps wash prepared or fit for distillation. The distiller in England must not keep more than two wash stills and two low wine stills on his premises at the same time, or one still of a capacity of less than 3,000 gallons. A distiller may keep a still of a capacity of 400 gallons and upwards upon obtaining a licence signed by three justices. The distillery must be situated within a quarter of a mile of a market town, but the Commissioners of Inland Revenue may grant a licence for a distillery beyond that limit. Lodgings must be provided for the officers of excise who are placed in charge of the distillery. A distillery must not be within a quarter of a mile of the premises of a rectifier ; nor must a distillery be connected with a brewery.

Every distiller must keep a spirit store, which has to be locked by the officer in charge of the distillery. Heavy penalties are inflicted if the proper number of vessels is not kept, or is exceeded. Every still must have an opening to enable an officer to take gauges and samples. Every pipe used in the distillery must be so fixed that it may be inspected for the whole of its length. Before a

distiller begins to distil spirits, he must make a correct list of every vessel he uses and where each is kept; that list must be delivered to the proper officer of excise. No materials must be used in distillation except such as the Act prescribes, and the quality and strength of the materials must be tested by a saccharometer. The distiller cannot remove sugar from the store for the manufacture of spirits until he informs the excise officer. The hours for brewing and distilling spirits are all fixed by the Act. When a brew is about to be made, the excise officer must be informed. The whole of the process of distillation must go on with the knowledge of the excise officer from the beginning to the end of each brew.

When the spirit has been made, it must be put into casks in the presence of the excise officer. Spirits must not be removed from the store in any quantity less than 9 gallons. The excise officer must keep account of the stock in store at all times. It is also the business of the excise officer to make out a return of the duty payable by the distiller upon all the spirit he makes, and to receive payment therefor. Spirits may only be bottled by the distiller after he has given notice to the excise officer. If for home consumption, the bottles must be imperial or reputed quarts or pints, and be packed in dozens of quarts or two dozens of pints. Sweetening, colouring, or fortifying is permitted under statutory regulations. No spirits may be sent out from a distiller's stores, or from an excise warehouse, without an excise permit. The minimum quantity permitted to be taken out is 9 gallons in a cask, or five dozen quart bottles, or ten dozen pints. Methylated spirits are exempt from duty, and may only be manufactured from plain spirit of at least 50 per cent. above proof, and from rum of at least 20 per cent. above proof.

The duty to be paid on spirits is to be the amount actually chargeable at the date of the actual removal of the spirits from the store or warehouse. (See EXCISE.)

DISTRAIN.—(See DISTRESS.)

DISTRAINOR.—The person who carries out a distraint.

DISTRESS.—This is the name given to the summary method of procedure by which a landlord may, without the intervention of any court of law, recover the rent which is due to him in respect of lands and tenements which he has demised to a tenant. There is no doubt that this remedy does place an enormous power in the hands of a landlord, and for that reason various statutes have been passed by which the right of distress (or distraint, as it is sometimes called) has been stringently regulated. Any illegality or irregularity in the exercise of this remedy may render the distraintor liable to heavy damages. (NB. During the war proceedings of this character were severely restrained by legislation, and for the time being summary methods like distress cannot be enforced except by leave of the court.)

There is no right of distress unless the relationship of landlord and tenant exists between the distraintor and the holder of the premises. If no such relationship exists, as where a person has gone into possession without any agreement as to paying rent or otherwise, there is no right to distraint, and the landlord must get rid of the holder by an action at law, suing him as a trespasser. The landlord may probably be awarded damages against the trespasser, but he has no other remedy, unless he

is able to eject him peaceably. Where it is established that the relationship of landlord and tenant does actually exist, there must be some ascertained rent actually due at the time when the distress is levied. It is commonly agreed between the parties that rent shall be payable upon a certain day. The law takes no notice of part of a day, and, consequently, if the day of payment is fixed, the tenant has the whole of that day in which to pay; in fact, the default does not arise until the day following. Thus, if rent is payable on March 25th, the landlord cannot distraint, in default of payment, before the 26th. If the rent is payable by the tenant in advance, the right of distress arises as soon as the day of payment has passed. Again, as a distress, strictly so-called, can only take place upon the premises demised, it is generally stipulated in long leases that the last payment of rent shall be made some days before the termination of the lease, so that the landlord may retain his right up to the end of the term.

No distress can be levied if the amount of the rent due is tendered before the goods of the tenant are actually seized. The tender, however, must be a legal one, *i.e.*, it must be made in the manner in which the law allows a tender to be made. (See LEGAL TENDER.) Moreover, the exact amount must be tendered, and no condition must be attached to the tender. Also, if the goods of a tenant have been actually seized and impounded, relief may be obtained at once by tendering the full amount of the rent due, together with the whole of the costs which have been incurred. A landlord who refuses to accept payment in either of the above cases is liable to an action at law; but the right of distress is not lost by the landlord's accepting a collateral security (*q.v.*) for his rent.

A distress may be levied, after rent has become due and remains unpaid, at any time between sunrise and sunset; but no distress may be levied upon a Sunday, Christmas Day, Good Friday, or any day appointed for a public thanksgiving. It may be made at any time within six months after the tenancy has expired, if the tenant is still remaining in possession. The rule as to the time for levying a distress is of great antiquity, its reason being probably to prevent people from being turned out of doors during the night.

The landlord is the proper person to distraint; but this includes not only the actual legal owner of the premises who let them to the tenant, but any person who has such property in the same as to entitle him to possession on the termination of the tenancy. Thus, a tenant who sub-lets can distraint, and so can a mortgagee. An executor or an administrator has a right of distraint in respect of the premises let by the deceased person whom he represents; but a person who is merely authorised to receive rent has no right to distraint on his own account. It is a very rare thing for a landlord to distraint personally. The usual practice is to employ a bailiff or an agent appointed by him for that purpose. No person, however, may act as bailiff unless he possesses a certificate granted by a county court judge. (See BAILIFF.) The bailiff should always be armed with some document in writing signed by the landlord, and he must also produce his certificate as a bailiff if it is demanded by any tenant upon whose goods he is levying a distress.

As above stated, it is the general rule that a distress cannot be levied elsewhere than upon the

premises demised to the tenant, and in some cases during the time the tenancy lasts. Thus, if a notice to quit is given and a tenant holds over, there is no right to distrain for rent which is in arrear at the termination of the tenancy. This is the law as far as tenancies for less than a year are concerned; but if the tenancy is for years, the right of distraint may be exercised during the six months following the termination of the tenancy, by reason of a statute passed in the reign of Anne. This is a reason why it is so often provided that the last instalment of rent shall be paid some time before the termination of the tenancy.

There is, however, one important exception to this rule as to a levy being made upon the demised premises. It refers to clandestine removals, where a tenant secretly and fraudulently removes his goods so as to avoid a distress being made. It is, therefore, provided that if the rent is in arrear (and this proviso is all important) and the tenant fraudulently and clandestinely removes his goods from the demised premises for the purpose of preventing a distress, the landlord may follow and take them from the place to which they have been removed within thirty days after such removal. If, however, a sale of the goods has taken place in the meantime to a *bona fide* purchaser, the landlord's right is ousted and the goods cannot be seized by him; but even in such a case, the tenant must still have an interest in the premises which he has quitted at the time when the seizure is made, otherwise the landlord will be too late. Thus, in one case, a tenant removed his goods on the last day but one of his tenancy, and it was held that, although the goods were removed fraudulently and clandestinely, the landlord could not follow and seize them after the tenancy had come to an end. If the tenancy has actually terminated when the tenant removes his goods, the landlord cannot follow them at all. The right of distress has gone, and the only remedy is to sue for the rent due by an action at law. In order to avoid difficulties, it is always advisable for the landlord to obtain an authority to follow goods from a local justice of the peace or from a police magistrate. Although, as will be pointed out later on, the right of distress extends, with certain exceptions and under certain conditions, to all goods which are upon the demised premises at the time of the levy, the goods of a lodger or a stranger can never be followed and taken in the same manner as the goods of a tenant. Again, if an entry is made upon premises where there is no right to take the goods in any event, the landlord will render himself liable to an action for trespass. In the metropolitan police district, which includes an area within 15 miles of Charing Cross, exclusive of the City of London, a constable may stop and detain all carts and carriages employed in removing goods or furniture from a dwelling-house between 8 p.m. and 6 a.m., if there is any suspicion that a fraudulent and clandestine removal is taking place.

A landlord cannot distrain for more than six years' arrears of rent, unless the tenant has within that time given a written acknowledgment of previous rent being due. If the holding is an agricultural one, only one year's rent can be distrained for, subject to an extension if it has been customary to defer payment for three or six months. In the case of a bankrupt tenant, a landlord may distrain after the commencement of the bankruptcy, but his claim is only available for six months' rent accrued due prior to the adjudication. If he

distrains within three months of the receiving order being made, he must pay any preferential creditors out of the proceeds of the distraint, and become a preferential creditor himself as to any loss he may sustain. For whatever balance of rent remains due after a distraint for the six months' rent, the landlord must prove in the bankruptcy proceedings against the tenant as an ordinary creditor. A distraint against the estate and effects of a company which is being wound up, otherwise than voluntarily, is void except by leave of the court.

In levying a distress the outer door of the premises cannot be broken open; but if the outer door is open, the person distraining may break any of the inner doors, or locks, if necessary, to reach the goods that are distrainable. If a window is open, an entrance may be effected through it, and the window itself may be opened further. The breaking or removal of a pane of glass to undo a fastening constitutes the distrainor a trespasser. A fence may be climbed over to get through an open door. A landlord or his agent may not force the padlock of a barn nor the outer door of a granary or stable for the purpose of distraining for rent, and he must not break open gates or knock down fences to effect his purpose; but he is justified in opening doors and locks by turning the key, lifting the latch, drawing the bolt, or using any of the usual methods adopted for gaining access. In every case where the distrainor can enter without committing a trespass or using force, he is justified in his action. The forcible expulsion of a person lawfully distraining from the premises which he has entered will deprive the tenant of his immunity from having his outer door broken open in order to regain admittance. The distrainor must call a constable to see that no breach of the peace is committed.

It is the general rule that all personal chattels found on the premises, in respect of which the distraint is made, can be seized for the rent due. It is immaterial who is the owner; but this is now subject to the Law of Distress Amendment Act, 1908, which came into force in 1909, and is noticed later. And herein lies the great difference between a distraint and an execution (*q.v.*). In the latter case, nothing can be seized which is not the property of the judgment debtor.

There are, however, many exceptions to this general rule, some goods being absolutely privileged from seizure, whilst others are conditionally protected. Those which are absolutely privileged cannot be taken under any circumstances, and include—

- (1) Things in actual use. The seizure of these might lead to a breach of the peace.
- (2) Fixtures which, if they were removed, could not be restored to their original condition.
- (3) Goods delivered to a person in the way of his trade.
- (4) Perishable goods.
- (5) Animals *feræ naturæ*, that is, of a wild nature. But dogs, deer in a park, birds in cages, etc., are distrainable.
- (6) Goods in the custody of the law, as, for instance, where a sheriff has taken possession under a writ of execution.
- (7) The goods of an ambassador.
- (8) Various goods, such as those of lodgers and strangers, under the provisions of the Law of Distress Amendment Act, 1908.
- (9) Wearing apparel, bedding, etc., to the value

of £5, unless the tenant is holding over, and has refused for seven days to give up possession.

(10) Gas and electric light meters belonging to a gas company or an electric light company incorporated by Act of Parliament.

Things which are conditionally privileged can only be taken if the other goods on the premises are insufficient to satisfy the claim of the landlord. Such things are—

(1) Tools of trade

(2) Beasts of the plough and sheep. Colts, steers, and heifers are not exempt from seizure, nor are beasts of the plough if the only other subject of distraint is growing crops. Beasts of the plough can always be taken for non-payment of poor rates, whether there are other things on the premises or not.

When, in the course of making a distress, an entry and a seizure have been effected, the first duty of the distrainer or the bailiff is to make an inventory (*q.v.*) or list of the goods which have been seized, and which are considered to be sufficient upon a sale to pay the amount of the rent due. At the foot of the inventory a notice must be added to the effect that if the tenant or the owner does not, within five days after the levying of the distress, replevy the same, *i.e.*, redeem them, they will be appraised and sold to pay the arrears of rent owing by the tenant. The inventory and notice must be served upon the tenant personally, or left at the house, or other most conspicuous place on the premises charged with the rent for which the distraint is made. Unless the inventory and the notice are duly served, the seizure is invalid, and any subsequent sale of the goods will be illegal. The landlord or his bailiff is entitled to remove the goods, and to deposit them in a safe place for custody, but it is the usual practice to leave some person in possession to prevent a removal. The tenant, as has been pointed out already, has a right to replevy the goods seized up to the time of their sale, upon payment of the rent due and all costs incurred. The landlord cannot sell until after the expiration of five complete days after the seizure, and this period of five days may be extended to fifteen days if the tenant makes a request in writing to that effect to the landlord or the bailiff, and gives security for the extra expenses which will be incurred. There is no obligation laid upon the landlord to have the goods sold by auction, unless the tenant makes a written demand for this to be done, and the same rule applies to appraisement (*q.v.*). In a technical sense replevin is really a redelivery of goods which have been distrained upon to the tenant or the owner, security being given that an action will be prosecuted against the distrainer for any alleged illegality or irregularity in the levying of the distraint. Proceedings must be taken in the county court, and may be commenced any time after the distraint has been levied before the goods are removed for sale. The registrar of the court will fix the amount of the security that must be given, and this may be by way either of a deposit of money or of a bond with sureties. As soon as the security is completed the registrar issues a warrant to the high bailiff of the county court directing him to deliver the goods to the tenant or the owner. The action comes on in its ordinary course, the point at issue being the legality or regularity of the distraint, and the landlord being the defendant.

A landlord who distrains must take care to seize

enough to cover his rent, if there are sufficient goods upon the premises to satisfy his claim. If he fails to do so, he cannot distrain a second time. And he must not abandon a distress when once made, otherwise he will lose his right; but there is nothing to prevent a repetition of a distress if it is impossible to satisfy the proper legal demand on the first occasion. Moreover, a landlord is not precluded, after having levied a distress and having failed to obtain complete satisfaction, from pursuing his remedy by action for any balance due to him, if he thinks it worth his while to do so. When an action at law is commenced in respect of rent, the landlord is not confined to six years' arrears as he is in the case of distress.

When goods are taken in distress, they are said to be *in custodia legis*—in the custody of the law. It is, therefore, illegal for any person to interfere with them, and to attempt to remove them, or to take them out of the possession of the distrainer. The removal or attempted removal is known as "pound breach."

As to the fees which are chargeable in distress, see *RAILIFF*.

The first inroad into the general principle that a distress is leviable upon all goods found on the demised premises, irrespective of the fact as to who is the true owner of them, was made by the Lodgers' Goods Protection Act, 1871, which enabled a lodger to claim his personal goods upon complying with certain conditions. This Act has been repealed by the Law of Distress Amendment Act, 1908, but its provisions have been retained in effect, and a qualified protection extended to lodgers and to certain persons other than lodgers, namely, (a) any under-tenant liable to pay by equal instalments not less often than every actual or customary quarter of a year a rent which would return in any whole year the full annual value of the premises or of such part thereof as is comprised in the under-tenancy; and (b) any other person whatsoever not being a tenant of the premises or any part thereof, and not having any beneficial interest in any tenancy of the premises or of any part thereof. When, therefore, a distress is levied by the superior landlord or the bailiff, the lodger, under-tenant, or other person, as above, must serve a declaration on such superior landlord or bailiff, in writing and signed by him, stating that the intermediate landlord, that is, the tenant of the house, has no right of property or beneficial interest in the furniture, goods, or chattels so distrained upon, and that such furniture, etc., is the property of and in the lawful possession of the lodger, under-tenant, or other person. The declaration must also set out the rent, if any, which is due to the intermediate landlord, and the period for which it is due. To this declaration an inventory must be attached setting out the furniture, etc., referred to. The following is a form of declaration which is commonly used in the case of a lodger—

To Mr. A. B. (landlord) of . . . , to his bailiff, and to all others whom it may concern.

I, C. D., of —, do hereby declare that I am a lodger, occupying the following rooms (stating them) at . . . , and that your immediate tenant, E. F., my landlord, has no right of property or beneficial interest in the furniture and goods distrained (or threatened to be distrained) for rent alleged to be due to A. B., and of which an inventory is annexed. Such furniture and goods are my property.

And I also declare that I owe to the said E. F., on account of rent for the said lodging, from to, the sum of £.... and no more (or, I have paid to the said E. F. all rent and arrears of rent in respect of the said lodgings).

The inventory is as follows—

(All goods to be set out specifically.)

(Signature of lodger)

Dated this day of, 19...

A form of a similar character, with the modifications necessary for the particular case, will serve the purpose of the under-tenant or other person. The offence of making a false declaration or inventory is a misdemeanour if it is untrue to the knowledge of the deponent in any particular. The signature should be at the foot of the inventory, but in a recent case it was held to be sufficient for the purpose of the Lodgers' Goods Protection Act that the signature was at the end of the declaration provided the inventory was contained in the same paper.

It is always advisable to have the notice in the above form, or as near thereto as possible, and no material fact connected with the matter should be omitted. When the declaration and the inventory have been served upon the landlord or the bailiff, and payment has been made of any rent due and an undertaking given to pay future instalments of rent as they shall become due, until the amount of the distress is discharged, the landlord or the bailiff must go out of possession. If the distress is then persisted in, the landlord and the bailiff will both be liable to an action for illegal distress, and damages may be recovered from both of them. Also the lodger, under-tenant, or other person aggrieved may apply to a justice of the peace or to a police magistrate for an order for restitution of the goods if the landlord or the bailiff refuses to restore them, when the truth of the declaration and the inventory will be inquired into, and such order made as may appear just. This statutory protection does not apply to goods belonging to the husband or the wife of the tenant whose rent is in arrear, nor to goods comprised in any bill of sale, hire purchase agreement, or settlement made by such tenant, nor to goods in the possession, order, or disposition of such tenant by the consent and permission of the true owner under such circumstances that such tenant is the reputed owner thereof, nor to any live stock to which Section 29 of the Agricultural Holdings Act, 1908, applies. There are other exceptions, but they need no notice here. Moreover, the protection does not extend to the goods of an under-tenant where the under-tenancy has been created in breach of any covenant or agreement in writing between the landlord and his immediate tenant. If the lodger or under-tenant is compelled to pay any rent as above, or to give an undertaking as to future instalments of rent, he is entitled to deduct the amount thereof from any rent which he would otherwise have been compelled to pay to his immediate landlord. There is no specified time within which the declaration and the inventory must be served. But as the superior landlord's right of sale is at the end of five days from the seizure of the goods, the right against the distrainor will be lost unless proceedings are taken within that period, though there may remain other rights, as far as the lodger or the under-tenant is concerned, against the immediate landlord. It

seems that the whole process, as above described, must be repeated on every occasion if more than one distress is levied.

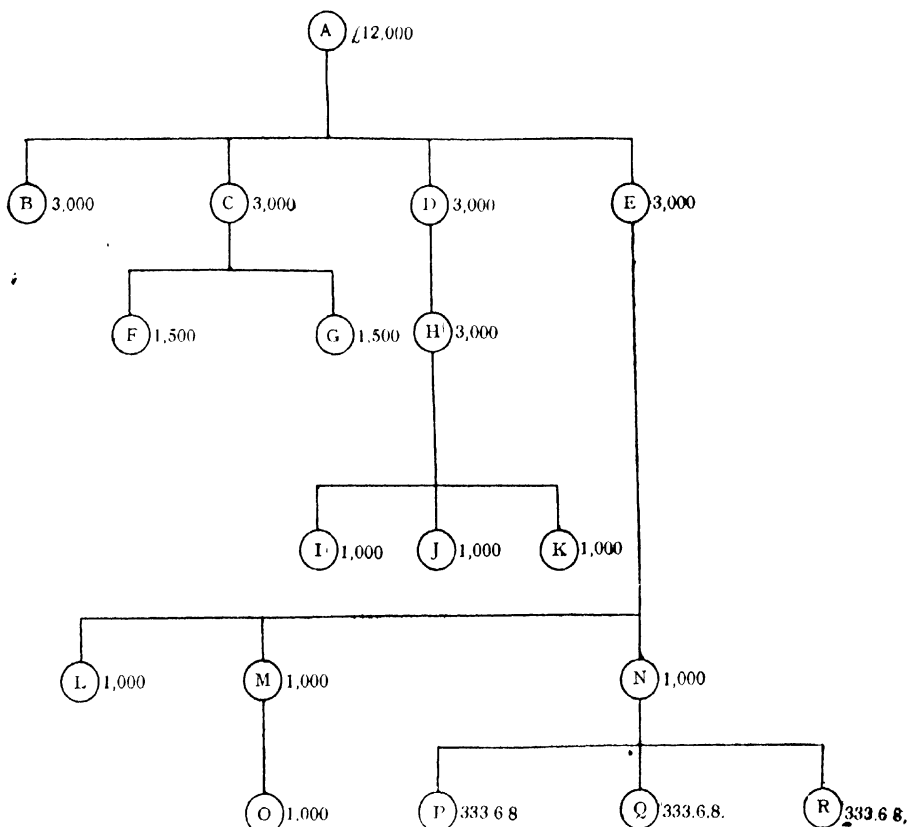
The term "lodger" has been frequently used in the latter portion of this article, and it is necessary to define his exact position. A person is a lodger who has a defined portion of a house, which is in the occupancy of another person, assigned to him in consideration of a certain rent. All the incidents of landlord and tenant are then in existence between the tenant of the house and the lodger, and the tenant must take the same proceedings against his lodger to eject him, if it becomes necessary to do so, as a landlord must take against his own tenant. It is almost unnecessary to add that a tenant can distrain upon his lodger's goods in the same manner as a landlord can distrain upon the goods of his tenant.

DISTRIBUTION, STATUTES OF.—When a person dies intestate, the residue of his property, after payment of debts, is distributed in different ways, according as it is real or personal property. The realty descends according to the law of inheritance, while the personalty (which includes leasehold property) is divided up among his wife, children, or next-of-kin, according to the Statutes of Distribution. This general rule has been modified by the Intestate Estates Act, 1890, by which the widow of an intestate has gained certain preferential rights, provided always that there are no children or other issue of the marriage existing. By this Act it is provided that the real and personal estate of every man who shall die intestate after September 1st, 1890, leaving a widow, but no issue, shall, in all cases where the net value of such real and personal estates shall not exceed £500, belong to his widow absolutely. If the Act applies and the total value of the estate does not exceed £500, the widow takes all. And where the net value of the estate exceeds £500, under similar circumstances the widow is entitled to a first charge of £500 upon the whole of the estate, whether real or personal, with interest at the rate of 4 per cent. from the death of the intestate until payment. The charge of £500, as between the real and personal representatives of the intestate, is to be borne and paid in proportion to the values of the real and personal estates respectively. The right of the widow as provided by the Act is in addition to her share in the residue of the estate. The main object of the Act was to meet the hard case of the widow where her husband died intestate, leaving no children and only a small estate, for, however small the estate might be, she was previously entitled to only one-half of it.

The law as to the distribution of the personal estate (including leasehold property) of an intestate, subject to the widow's right to her £500 under the Intestates Estates Act of 1890, is regulated by certain statutes passed in the reigns of Charles II and James II, which are known as the Statutes of Distribution. The original statute was passed to compel administrators, to whom the personal estate had been committed, to make a just and equal distribution of what remained after payment of debts. A period of twelve months is allowed to an administrator in which to ascertain who are the persons entitled to the personal estate of the deceased, and to settle the debts, etc., which are owing; but this delay is only for convenience, and does not prevent the beneficiaries' interest from vesting. All the persons who may be entitled must be satisfactorily accounted for, and if it is uncertain

whether they are alive or dead, a motion must be made to the court to presume their death on or since a certain date. Otherwise an administrator may find himself in difficulties by making an erroneous or illegal distribution. The rules as to the distribution are simple, though great care should be taken in applying the rules to see that no claims are passed over. The simplest cases may be taken first, and when these have been dealt with, the claims of other relatives will be considered and illustrated in tabular form. If a married woman

taken as in whole or part satisfaction of it. But if there are any children or other issue living at the death of the intestate, the widow's share is reduced to one-third, the descendants being entitled to the two-thirds. The children take equally among themselves, and any children or grandchildren of a deceased child, male or female, take equally amongst them the share which would have fallen to their parent, as shown by the following illustration: A dies intestate and leaves personal property of the value of £12,000. If he leaves a widow and no



dies intestate and her husband survives, he is absolutely entitled both to a grant of administration and to the whole beneficial enjoyment of her personal estate, whether there are any children or not, and the Married Women's Property Act, 1882, has made no difference as to this. If a husband dies intestate, his widow, if there are no lineal descendants, is entitled to one-half of his personal estate, the remaining half going to his next-of-kin, or, if there are no next-of-kin, as there cannot be if the intestate was an illegitimate child, to the Crown. The widow's claim, however, under the statute may be barred by the terms of an ante-nuptial settlement; and if she is entitled to a provision out of her husband's estate under a covenant or agreement made by him, her interest under the statute will be

children, the widow is entitled, under the Intestates Estates Act, 1890, to £500, which is payable rateably out of the real and personal estate (see *INTESTACY*), provided that there is any real estate, and to one-half of the remaining £11,500. If the estate is only personalty, she receives £6,250. The remainder goes to the next-of-kin or the Crown, as the case may be. If he leaves a widow and a child, or children, the widow is entitled to £4,000 only. The remainder goes to the children and is equally divided amongst them, and where there is but one child, that child takes the remaining £8,000. Now, suppose A had had four children—B, C, D, and E. It is immaterial whether they are sons or daughters, or whether they are children by a first wife or second wife. If they are all alive at their father's death,

they take £2,000 or £3,000 each, according as to whether the widow is living or not, for if there is no widow the children are entitled to the whole. But if B alone is living at the time of the death of the father, C is dead leaving two children, D is dead leaving no children, but three grandchildren, and E is dead leaving one child and four grandchildren, the offspring of two deceased children, B takes his £2,000 or £3,000 as the case may be; the two children of C have the same amount equally divided between them, so have the three grandchildren of D; and as to E's descendants, the one child takes one-third of the share of £2,000 or £3,000, which would have fallen to E, and the four grandchildren take between them the share which would have fallen to each of their parents. It does not necessarily follow that each of these four grandchildren will obtain the same amount. They would do so if there had been two children in each case; but if there is one in one case and three in the other, one grandchild will take as much as the other three. The rule is the same if all A's children were dead and only his grandchildren survived him, *i.e.*, the grandchildren in each particular family take the share their parents would have had; this is known as taking *per stirpes*, and not *per capita*, *i.e.*, by descent or representation, and not by heads individually. Posthumous children take equally with those born in the lifetime of their father, whether the property is real or personal. If advancements to children (*q.v.*) have been made during the lifetime

of the father, the amounts of the advancements must be brought into account before the children advanced are entitled to a distributive share in the intestate's estate.

The plan on page 583 will explain the whole matter fully, on the basis that there is no widow surviving, the amount placed opposite to each descendant showing what he or she is entitled to in the supposititious case advanced. The plan may be varied to any extent and made applicable to every case of direct descendants.

In case of the more distant relatives, where the deceased leaves neither wife, husband, or lineal descendants, the general principle is that the personal estate, which is divisible amongst the next-of-kin (*q.v.*), is equally divided amongst those who are collaterally related in an equal degree to the intestate, and their representatives; and all the next-of-kin of one degree must be eliminated before those of a more remote degree are admitted to share in the distribution, with this exception, that if any brother or sister is living, then children of a deceased brother or sister are admitted as if they belonged to the same degree as their parent. No representation of parents by their children is allowed among collaterals beyond the children of brothers and sisters of the intestate, so that grandchildren of a deceased brother or sister cannot compete with the deceased's brother or nephew. The next-of-kin (*q.v.*) are reckoned in degrees by counting up from the intestate to the common ancestor, and also down

INTESTATE SUCCESSION AS TO PERSONAL PROPERTY.

<i>If the Intestate leaves only</i>	<i>The Personal Property goes as follows—</i>
Wife only	Half to wife; half to next-of-kin in equal degrees to intestate or their legal representatives.
Wife and no next-of-kin	Half to wife; half to Crown.
Wife, sons, and daughters	One-third to wife, two-thirds equally between children.
Wife and daughters	One-third to wife; two-thirds equally between daughters. If only one daughter, the two-thirds to her.
Wife and grandchildren	One-third to wife, two-thirds to grandchildren, the grandchildren taking equally between them the share of the two-thirds which would have fallen to their parents.
Wife and father	Half to wife; half to father.
Wife and mother	Half to wife; half to mother.
Wife, mother, brothers, and sisters	Half to wife; half equally between the remainder.
Wife, mother, brother, sister, and nephews and nieces—children of deceased brother or sister	Half to wife; one-eighth each to mother, brother, and sister; and the remaining one-eighth equally between the nephews and nieces.
Sons and daughters, by one or more wives	Equally amongst them.
Children, by one or more wives, and grandchildren	Equally amongst them, the grandchildren taking amongst them the shares which would have fallen to their respective parents.
Brothers and sisters, whether of the whole or the half blood	Equally amongst them.
Father, brothers, and sisters	All to father.
Mother	All to her.
Mother, brothers, and sisters	Equally amongst them.
Grandfather, brothers, and sisters	Equally amongst brothers and sisters.
Grandmother, brothers, and sisters	Equally amongst brothers and sisters.
Uncles and aunts	Equally amongst them.
Grandfathers and grandmothers	" " "
Nephews and nieces	" " "
Aunts, nephews, and nieces	" " "
Cousins	" <i>per capita</i> .
No relations	All to the Crown.

again to the person in question; thus a father is in the first, a grandfather, a brother or a sister is in the second, a nephew is in the third, and a first cousin in the fourth degree. There are, however, some exceptions to these rules, viz.: (1) The father takes to the entire exclusion of the mother, though they are both of the first degree, on the ground that at the common law he would, by his right as husband, have taken her share; (2) the mother comes in, as though she were of the second degree, with the deceased's brothers and sisters, or with their children, whether the intestate has left a widow or not; (3) brothers and sisters of the intestate are admitted before the grandfather, though they are all of the second degree.

The table given on page 584 will furnish sufficient illustrations for ordinary purposes.

It should be noted that in the succession to the residue of an intestate's personal estate, males have no preference over females, nor an elder over a younger, nor paternal over maternal relations, nor relations of the whole blood over those of the half blood; but all in the same degree take equally.

Where a person is entitled to a share under the statutes, the share vests in him at the death of the intestate, and should he himself die before the estate is, in fact, distributed, it will be payable to his legal personal representative, and may even be attached, while unpaid, by creditors by way of equitable execution.

The effects of a person who dies intestate without issue and without next-of-kin are known as *bona vacantia*, and go to the Crown. In the case of a person who is illegitimate dying intestate and without issue, his estate devolves upon the Crown as *bona vacantia*; but in this case it is usual for the Crown to deduct a percentage only, and to grant the balance of the property to the persons who, if the deceased had been legitimate, would have claimed it as next-of-kin. The Crown takes *bona vacantia* by virtue of its prerogative, but subject always to the widow's claim to a half in case she survives her husband.

The shares of persons who take any personal estate under an intestacy are liable to the same duty as are legacies to persons of the same degree of kindred, and the exemptions are the same as if the shares were legacies.

The distribution of the personal property of an intestate after payment of his debts is generally governed by the law of the country where he was domiciled when he died. Consequently, if an Englishman dies intestate, domiciled in Germany or Spain, and leaving personalty in England it would be distributed in accordance with the German or Spanish law of succession. Succession to real property, on the contrary, depends upon the law of the country where the land itself is situate; and, therefore, leaseholds which are really by international, though not by English, law, devolve in accordance with English law of inheritance, even if their intestate owner died domiciled abroad. (See **INTESTACY**.)

DISTRICT COUNCIL.—(See **RURAL DISTRICT COUNCIL**, **URBAN DISTRICT COUNCIL**.)

DISTRICT COUNCILS' MEETINGS.—Urban district councils and rural district councils were constituted by the Local Government Act, 1894; but the Public Health Act, 1875, still in some respects applies to them.

An annual meeting must be held by district

councils, and business meetings once a month at least. The Public Health Act, 1875, requires every district council from time to time to make regulations with respect to the summoning, notice, place, management, and adjournment of their meetings, and generally with respect to the transaction and management of their business. No meeting may be held on premises licensed for the sale of intoxicating liquor, unless no other room is available either free of charge or at a reasonable cost. The 1894 Act provides that any rural district council may use for their meetings and proceedings the offices of the board of guardians for the union comprising their district at reasonable hours. The quorum for meetings is one-third of the full number of members, subject to this qualification that in no case is a larger quorum than seven required. The chairman of the council is to preside at all meetings at which he is present; if he is absent, the person to take the chair is the vice-chairman, if one has been appointed and he is present; failing him, the members present shall appoint one of their number to act as chairman. Women are eligible as chairman, vice-chairman, and councillor. It is very necessary to note the various grounds upon which a chairman of a district council becomes disqualified and incapable of acting. Amongst these are poor relief to himself or family, bankruptcy, holding any paid office under the council, being pecuniarily interested in any bargain or contract with the district council with certain exceptions, and absence from council meetings for more than six months consecutively, except for illness or some reason approved by the council.

Questions at meetings are to be decided by a majority of the members present and voting on that question. If the voting is equally divided, the chairman has a second or casting vote. The names of the members present and of those voting on each question are to be recorded, so as to show whether each vote was given for or against the question. Minutes of a meeting purporting to be signed by the chairman of that meeting or by the chairman of the next meeting shall be received as evidence in all legal proceedings. Further, a meeting so minutes shall be considered to have been duly convened and held until the contrary is proved. The proceedings of a district council shall not be invalidated by vacancies amongst the members or by any defect in their election or qualification. The annual meeting is to be held as soon as convenient after April 15th in each year. The first meeting of a council shall be held where and when the returning officer may appoint by written notice to each member; but not more than ten days after the completion of the election.

The holding of, and proceedings at, district council meetings other than as provided above, and always subject to the statutes, are governed by the standing orders which every district council makes for the regulation of its business. These standing orders vary in the extent to which they deal with procedure; where they are silent, the customary rules of debate apply; anyone concerned with a particular district council must, therefore, obtain and study its own standing orders. It may be useful, however, to select as examples a few of the provisions from actual sets of standing orders of an urban district council and a rural district council respectively.

Urban District Council. The council's ordinary meetings are held on alternate Wednesday evenings

at 7.30; notice of same, with the usual particulars, including the business (so far as known), being posted to each member three clear days beforehand. Extraordinary meetings may be held on the requisition of three members and on twenty-four hours' notice being given to members. Resolutions or acts of the council can only be revoked or altered by a two-thirds majority at a special meeting convened on the requisition of three members. Failing the carrying of such revocation or alteration, it may not be attempted again for six months. The order of business after signing of the minutes, is: (1) Deputations; (2) correspondence; (3) committee reports; (4) finance committee report; (5) reports of council officers; (6) business appointed by resolution of previous meeting; (7) motions and questions. With the exception of a few motions which may be moved without notice, five days' notice of motion is required. Speeches are limited to ten minutes and replies to five minutes each. Committees are to consist of three members, and the quorum to be two members. Committee meetings may be called at two days' notice, and five minutes' grace is allowed the chairman before someone else is appointed to the chair. A two-thirds majority may suspend these standing orders at a meeting either after due notice or in case of urgency.

Rural District Council. Ordinary meetings are held monthly on Thursdays, at 3 p.m., and two days' notice of same is given. Ratepayers in the rural district and reporters may be present until required by resolution to withdraw. Extraordinary meetings may be requisitioned by two members for the transaction only of the special business specified. Minutes are to be printed and sent to members. The order of business, only to be varied by consent of the meeting, is (after signing the minutes): (1) Business arising out of the minutes; (2) communications from the Local Government Board; (3) other communications; (4) finance committee's recommendations; (5) other committee's reports; (6) officers' reports; (7) departmental requirements; (8) applications and appointment of officers, etc.; (9) motions. Four days' notice of motion is required. Motions to rescind or repeat resolutions within six months require at least four members' names on the notice; and, if they fail, are barred for a further six months. No discussion is allowed on adjournment motions or on the motion to proceed to the next business. Speeches are limited to ten minutes. A reply is permitted not only to the mover of a substantive motion, but also to the mover of a successful amendment put as such. Three members may demand a recount of a show-of-hands vote before announcement of the result, as also (after the vote) a division, i.e., a taking of the names for and against. A motion may, if practicable, be divided into parts on any member's request. The chairman may take a vote, without discussion, as to the exclusion of any business he deems objectionable. Any standing orders may, with the chairman's sanction, be suspended by a majority vote in case of urgency. There is also full provision regarding committees.

DISTRICT RATE.—(See GENERAL DISTRICT RATE.)

DISTRICT REGISTRY.—It is well known that writs in actions are issued out of the High Court in London, but to avoid difficulty and delay various registries or offices have been established in different parts of the country, presided over by the registrar—who is almost invariably the registrar of the local

county court—in order that all such work as is done in chambers in interlocutory matters (*q.v.*) may be carried out without having recourse to the courts in London. All matters which are in the hands of a Master in Chambers in London may be conducted by a district registrar, from whose decision there is always a right of appeal to a judge in chambers.

DISTRINGAS.—This is a Latin word, signifying "that you distrain." It was the name of a writ which was formerly issued out of the High Court of Justice to prevent the transfer of particular stocks or shares, or the payment of dividends due upon the same. In 1880 this writ was abolished, and now a notice is served upon the company or other body affected which fulfils the same object. The notice is for the purpose of preventing the company or other body from dealing with funds in which other persons claim to have an interest. Application is made, in the first instance, to the High Court, the application being supported by an affidavit which sets out the material facts of the case, and when certain formalities have been complied with, the notice is served upon the company or other body sought to be affected by it. No dealing of any kind can then take place unless an eight days' notice is given to the parties who claim to be interested in the funds, etc., that some transfer, etc., is contemplated. Within these eight days steps must be taken, if it is thought necessary, to obtain further protection, otherwise the effect of the notice of *distringas* ceases. (See CHARGING ORDER.)

DITTO.—This word, which is often written "do,"—this being a contraction of *ditto*—means the same thing as before, or something of a like manner. It is derived from the Latin word *dictum*, the past participle of the verb *dico*, "I say."

DIVIDEND AND TRANSFER DAYS (BANK OF ENGLAND).—These are the days upon which dividends are paid and transfers effected, so far as certain stocks are concerned with which the Bank of England is chiefly interested, at least to the extent of paying the dividends and executing the transfers.

Transfer days are Mondays, Tuesdays, Wednesdays, Thursdays, and Fridays. Instructions are received from 9.30 a.m. until 3 p.m., but a fee of 2s. 6d. is charged if the instructions are given later than 1 p.m. Transfers may also be made on Saturdays, between 11 and 12.30, and for these also a fee of 2s. 6d. is charged.

There are in some instances particular days fixed as the dividend days for special securities. The list of these can be obtained by interested parties from the Bank of England.

DIVIDENDS.—The term "dividend" is applied to the money which is distributed amongst the creditors of a bankrupt out of his estate, to the annual interest payable upon the National Debt (*q.v.*) and other public funds, and upon the shares in joint stock companies. The dividend paid out of a bankrupt's estate depends upon the assets realised by the trustee in bankruptcy. If it appears likely that the whole of these assets cannot be collected expeditiously, the trustee should declare and pay dividends from time to time, reserving the final dividend until he has collected the whole of the money which is obtainable. The dividends payable upon the National Debt and public funds are fixed, and do not vary from year to year in the same manner as other dividends vary. The third

kind of dividend—the profit arising to the shareholders out of the business of a joint stock company—requires fuller explanation. When moneys are invested in any business concern the shareholders expect some recompense or reward for the loan of the same. A company is carried on with an idea of making profit, and this profit is something which accrues to the company, and increases its assets for the time being. The capital ought, as far as possible, to be kept intact, and employed solely for the purposes of the company. The profit gained (if any) is an additional advantage which is obtained for the shareholders by means of trading. This profit may legitimately be used by the company to reward and recompense its shareholders, and the return which is made to each individual shareholder for the use of his money is called a dividend.

With the exception to be noticed hereafter, there is nothing in any of the Companies Acts which has reference to the payment of dividends, and the legislature has left the matter to the company itself to determine. The articles of association must, therefore, be looked at to see what determination has been arrived at, for they must govern the whole question. It is possible to make the most elaborate arrangements regarding, and to place the greatest restrictions upon, the payment of dividends; but this is not a wise course to adopt if the company is a public one, and relies upon the support of outsiders by their becoming shareholders to carry on its undertaking. Generally speaking, it will be sufficient to incorporate as nearly as possible the provisions relating to the same contained in Table A (*qv*). The articles, then, will practically govern the whole matter of the payment of dividends, subject to the general principle that dividends must be paid exclusively out of profits and not out of capital.

The greatest difficulty is to arrive at what are really profits, and this is a question which has received different answers. Profit has been defined as the gain resulting from the employment of capital. It really consists of the produce or its value which remains to those who employ their capital in an industrial undertaking, after all the necessary payments have been deducted, and all the capital wasted and used in the undertaking has been replaced. Roughly speaking, this means that at the end of a period of trading, up to the time when the accounts of the company are made up, the whole of the circulating capital of the company must be replaced, and a certain allowance made for the loss or depreciation of the fixed capital. The latter is generally provided for by the creation of a special fund, but in certain instances it is possible for the articles to provide that no loss or depreciation shall be provided for, especially when the company is established for the purpose of carrying on a mere temporary concern. Again, as far as the fixed capital is concerned, any chance improvement in its value may be treated as a profit.

But other methods of calculating profits are necessary in the case of large businesses and joint stock companies. In his standard work on the Companies Acts, Lord Justice Buckley says: "The profits of an undertaking are not such sum as may remain after the payment of every debt, but are the excess of the revenue receipts over expenses properly chargeable to revenue account. As to what expenses are properly chargeable to capital and what to revenue it is necessarily impossible to lay down any rule. In many cases it may be for

the shareholders to determine for themselves, provided the determination be honest and within legal limits. Where expenses properly chargeable to capital have been paid out of revenue, the company is justified in recouping the revenue account at a subsequent time out of capital. The proper and legitimate way of arriving at a statement of profits is to take the facts as they actually stand, and, after forming an estimate of the assets as they actually exist, to draw a balance so as to ascertain the result in the shape of profit and loss. If this be done fairly and honestly, without any fraudulent intention or purpose of deceiving anyone, it does not render the dividend fraudulent that there was not cash in hand to pay it, or that the company was even obliged to borrow money for that purpose. And the fact that an estimated value was put upon assets which were then in jeopardy and were subsequently lost does not render the balance sheets delusive and fraudulent."

Two cases in which the manner of calculating profits was discussed are worthy of reference, viz., *Lee v. Neuchatel Asphalte Company*, 1887, 41 Ch. D. 1, and *Verner v. General and Commercial Investment Trust*, 1894, 2 Ch. 239. In the first it was decided that where the shares of a limited company have, under a duly registered contract, been allowed as fully paid-up shares in consideration of assets handed over to the company, it is under no obligation to keep the value of these assets up to the nominal amount of its capital, and the payment of a dividend is not to be considered a return of capital, merely on the ground that no provision has been made for keeping the assets up to the nominal amount of capital. There is nothing in the Companies Act to prohibit a company formed to work a wasting property, such as a mine or a patent, from distributing, as dividend, the excess of the proceeds of working above the expenses of working, nor to impose on the company any obligation to set apart a sinking fund to meet the depreciation in the value of the wasting property. If the expenses of working exceed the receipts, the accounts must not be made out so as to show an apparent profit, and so enable the company to pay a dividend out of capital, but the division of the profits without providing a sinking fund is not such a payment of dividends out of capital as is forbidden by law. In the second case, a different method of ascertaining profits was propounded. There the defendants were a limited company, whose objects were to invest their capital in stocks, funds, shares, and securities of various descriptions, and the receipts of the company from the income of these investments were made applicable to paying a dividend. The market price of some of the investments of the company fell, and others of them proved worthless, so that the value of the company's assets was materially diminished; but the income received from the investment for the year considerably exceeded the expenses of the year. One of the trustees of the company brought an action on behalf of himself and all the stockholders in the company against the company and the other trustees to restrain the company from declaring a dividend, on the ground that, until the loss of capital was made up, a payment of dividend would be a payment out of capital. It was held, by the Court of Appeal, that it was within the power of the company to declare a dividend, inasmuch as there is no law to prevent a company from sinking its capital in the purchase of a property-producing income and dividing that income without making

provision for keeping up the value of the capital; and that fixed capital may be sunk and lost, and yet the excess of current receipts over current expenses may be applied in payment of a dividend, though where the income of a company arises from the turning over of circulating capital, no dividend can be paid unless the circulating capital is kept up to its original value, as otherwise there would be a payment of dividend out of capital.

In the second case, Lord Lindley made the following remarks in the course of his judgment: "It has been already said that dividends presuppose profits of some sort, and this is unquestionably true, but the word *profits* is by no means free from ambiguity. The law is much more accurately expressed by saying that dividends cannot be paid out of capital, than by saying that they can only be paid out of profits. The last expression leads to the inference that the capital must always be kept up, and be represented by assets which, if sold, would produce it; and this is more than is required by law. Perhaps the shortest way of expressing the distinction which I am endeavouring to explain is to say that fixed capital may be sunk and lost, and yet that the excess of current receipts over current payments may be divided, but that floating or circulating capital must be kept up, as otherwise it will enter into and form part of such excess, in which case to divide such excess without deducting the capital which forms part of it will be contrary to law."

Dividends must be paid out of profits and out of profits alone, except as is provided by Section 91 of the Act of 1908. A payment of a dividend out of the capital is *ultra vires*, for it amounts to a reduction of the capital of the company, and such a reduction is rarely permissible. And, on general principles of liability, if directors do pay a dividend out of capital, they are held responsible to the company for the whole amount so paid. The articles cannot make provision for any such payment, nor can the shareholders resolve in a general meeting that the capital of the company shall be so applied. It is probable that if a dividend is illegally declared for the purpose of giving a fictitious value to the shares of a company, the directors who take part in declaring it may be made criminally liable for conspiracy to defraud; but it is not necessary that the whole of the profits of a company should be distributed. There is an inherent right in the directors to lay aside a certain portion of the profits as a reserve fund, even though the articles have made no provision to this effect. And this is a wise precaution. Nor does it inflict any great hardship upon the shareholders. They have the appointment of the directors in their hands, and if dissatisfaction is felt at the management of the finances of the company, they have an adequate method of dealing with the matter by changing the body of the directorate. Profits paid into a reserve fund nevertheless remain profits of the company and may be subsequently distributed.

The financial arrangements being in the hands of the directors, it is for them to ascertain the state of the company at stated periods, and to see what sums are available out of the profits (if any) for dividends, after meeting all prior charges. Shares are divided into various classes, the most common being preference and ordinary shares. There is generally a fixed rate of interest payable on the preference shares. This must first of all be deducted from the available profits. If the preference shares are cumulative,

and there has been a deficiency in the interest payable in previous years, this has also to be provided for. After that, a certain amount is put aside as a reserve fund, if it is decided to create one. Then come the ordinary shareholders, and they are the principal persons to be considered. The whole of the available remaining profits may be divided, or any part thereof up to the extent of the maximum rate of interest (if any) provided by the articles. Unless there is some special clause in the articles restricting the payment in proportion to the amount paid up on the shares held by the shareholders, the dividend ought to be declared in proportion to the nominal amount of the shares, without any reference to the actual sum which has been paid upon them. The statement of accounts and the propositions of the directors as to the payment of dividends are forwarded to the shareholders at the time of sending out the notices for the annual general meeting. At the meeting the propositions of the directors are put to the vote, and if they are carried, including the recommendation as to the payment of a dividend, the dividend becomes due and payable by the company. Sometimes when a company is particularly successful, the directors may declare and pay an interim dividend which is a kind of payment in advance of the dividend that it is expected will be declared at the end of the financial year. This should always be provided for by the articles of association.

No dividend is payable until it has been declared in the proper way. And this applies not only to the case of ordinary shareholders, but also to preference shareholders. It is immaterial that the funds of the company are ample to supply all wants. Without a declaration of a dividend none is payable, and no debt has been incurred in respect of the same; but as soon as a dividend has been declared a shareholder has a right to sue for the same unless he receives payment. The debt is in the nature of a specialty debt, that is, the right of action upon it does not become barred until after the lapse of twenty years. The reason for this is that the certificate of each shareholder is sealed with the seal of the company. The articles of association may sometimes limit this, but there appears to be a great objection to any such restriction on the ground that the London Stock Exchange declines to recognise a company with such a clause in its articles. The amount to be paid is fixed, and the dividend is payable to the holder whose name is entered on the register. It sometimes happens that a shareholder transfers his shares at or near the time of the declaration of the dividend. The contract entered into between the transferor and the transferee should contain a term providing for the dividend. In the absence of any agreement the date of the document governs the matter. If the dividend is declared before the date, the amount payable goes to the transferor; if after the date, to the transferee. Shares which are so transferred and to which the right of receiving the dividend is attached are said to be "cum dividend"; if the right to receive the dividend is reserved by the transferor they are said to be "ex dividend." It is the practice to deduct income tax from the amount of the dividend before paying it over.

It has been stated that if directors make an improper payment of a dividend, they are liable to be sued for the amount so paid. But if the payment is received by the shareholders with a full knowledge of the improper nature of the payment, the directors

may claim to be indemnified by the shareholders who have been paid. Unless provision is specially made in the articles it is improper to make any payments of dividends except in cash. A shareholder may very naturally decline to accept securities of any kind, no matter how valuable they may be declared to be.

Although no notice of any trust may be entered upon the register, shares are very frequently held in the name of a registered holder for the benefit of and in trust for some other person. So long as the beneficiary lives, or so long as he is entitled to take the benefits of any dividends under the terms of the trust, he is the person who ought to receive the dividends declared. But if the trust is determined so far as he is concerned and another person becomes entitled, as if, for example, shares are left in trust for a tenant for life and afterwards for a remainderman, a right of apportionment is given by reason of the Apportionment Act, 1870 (33 and 34 Vict. c. 35), and the estate of the tenant for life benefits if a dividend is declared after the termination of his interest, proportionately to the time during which he was beneficially entitled.

To the general rule that dividends cannot be paid out of capital, but only out of profits, a notable exception was made by the Companies Act, 1907. By that Act it was provided, for the first time, that the old rule may be broken into in cases where the shares of a company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a lengthened period. The section of the Act of 1907 has been re-enacted by Section 91 of the Act of 1908. As this section is one of great importance, it is here given *in extenso*—

"91. Where any shares of a company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions in this section mentioned, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant :

" Provided that—

" (1) No such payment shall be made unless the same is authorised by the articles or by special resolution ;

" (2) No such payment, whether authorised by the articles or by special resolution, shall be made without the previous sanction of the Board of Trade ;

" (3) Before sanctioning any such payment the Board of Trade may, at the expense of the company, appoint a person to inquire and report to them as to the circumstances of the case, and may, before making the appointment require the company to give security for the payment of the costs of the inquiry ;

" (4) The payment shall be made only for such period as may be determined by the Board of Trade ; and such period shall in no case extend beyond the close of the half year next after the half year during which the works or buildings have been actually completed or the plant provided :

" (5) The rate of interest shall in no case exceed 4 per cent. per annum or such lower rate as may for the time being be prescribed by Order in Council :

" (6) The payment of the interest shall not operate as a reduction of the amount paid up on the shares in respect of which it is paid :

" (7) The accounts of the company shall show the share capital on which, and the rate at which, interest has been paid out of capital during the period to which the accounts relate :

" (8) Nothing in this section shall affect any company to which the Indian Railways Act, 1894, as amended, by any subsequent enactment, applies."

DIVIDENDS IN BANKRUPTCY.—The property of a bankrupt which is available for creditors after payment of costs is distributed by the trustee in the form of dividends.

While retaining such sums as may be necessary for the costs of administration, the trustee must declare and distribute dividends as soon as possible. The first dividend must generally be declared and distributed within four months after the first meeting of creditors, while subsequent dividends must be declared and distributed at intervals of not more than six months.

Before a dividend is declared, notice is sent to the *Gazette*, and to each creditor mentioned in the statement of affairs who has not proved. On declaring a dividend, the trustee also sends a notice showing the amount and method of payment of the dividend.

Where the partner of a firm becomes bankrupt, a creditor to whom the bankrupt is indebted jointly with the other partners of the firm, or any of them, cannot receive any dividend out of the separate property of the bankrupt until all the separate creditors have received the full amount of their respective debts.

Where joint and separate properties are being administered, dividends of the joint and separate properties must generally be declared together. The expenses of and incident to such dividends are fairly apportioned by the trustee between the joint and separate properties, regard being had to the work done and the benefit received by each property.

In the calculation and distribution of a dividend, the trustee makes provision for debts due to persons resident in places so distant that they have no time to tender their proofs, or to establish them if disputed, and also for provable debts which are the subject of claims not yet determined. He also makes provision for any disputed proofs of claims, and for administration expenses. Subject to the foregoing exceptions, he distributes as dividend all money in hand.

As a creditor may come in at any time, the creditor who has not proved before the declaration of a dividend, may be paid out of any money in the hands of the trustee. Any dividend he may have failed to receive before that time is applied to the payment of any future dividend. He cannot, however, disturb the distribution of any dividend declared before his debt was proved by reason that he has not participated therein. Having realised all the property of the bankrupt, or as much as he can, without needlessly prolonging the trusteeship, the trustee declares a final dividend. Before so doing, he gives notice to the persons whose

claims to be creditors have been notified, but not established to his satisfaction, that if they do not establish their claims to the satisfaction of the court within a time limited by the notice, he will proceed to declare a final dividend, without regard to their claims. After the expiration of the time so limited, or any further time allowed by the court, the property of the bankrupt is divided among the creditors who have proved their debts without regard to the claims of any other persons. The trustee cannot be sued for a dividend, but the court may order him to pay it, and also to pay out of his own money interest thereon for the time that it is withheld, and the costs of the application.

Even after his release, if he has moneys of the debtor in his hands, an order may be made against the trustee. It would not, however, be made in favour of one who had taken an assignment of a proved debt. A dividend cannot be attached to answer a judgment obtained against the creditor.

The trustee pays unclaimed dividends into the Bankruptcy Estates Account at the Bank of England. A receipt given to him by the Board of Trade is an effectual discharge. Unclaimed dividends mean dividends which, although declared on existing and admitted proofs, have not been claimed.

Any surplus remaining after payment in full of his creditors, with interest, and of the costs, charges, and expenses of the proceedings under the bankruptcy petition, belongs to the bankrupt.

The bankrupt may dispose of the surplus by will or deed, even while the bankruptcy is pending and before the surplus is ascertained.

DIVIDEND WARRANT.—This is an order issued by a joint stock company upon its bankers for the payment of the interest or dividend due to a shareholder upon his holding. Unless there is a special stipulation to the contrary, a dividend warrant must always be signed by the person to whom it is made payable. In practice, however, where a dividend warrant is made payable to several persons, the signature of one of them is generally accepted as sufficient, but when it is an interest warrant, the signatures of all are necessary.

DIVIDIVI.—The native name for the twisted pods of the *Cesalpinia coriaria*, a leguminous tree of South America. These pods are rich in tannin, and are in great request by tanners and dyers. Great Britain's supplies come chiefly from Venezuela.

DOCK.—A dock is a place artificially formed for the reception of ships, the entrance to which is generally closed by gates. There are two kinds of docks: Dry docks and wet docks. The former are used for receiving ships for inspection and repairs. For this purpose, the dock must be so contrived that the water may be admitted or excluded at pleasure, so that a vessel can be floated in when the tide is high, and that the water may run out with the fall of the tide, or be pumped out, the closing of the gates preventing its return. Wet docks are formed for the purpose of keeping vessels always afloat. One of the chief uses of a dock is to keep a uniform level of water, so that the business of loading and unloading ships can be carried on without interruption. The first wet dock for commercial purposes made in this kingdom was formed in the year 1708 at Liverpool, then a place of no importance.

DOCK AND TOWN DUES.—These are dues which are peculiar to the port of Liverpool. They are chargeable upon most of the goods which are

exported from or imported into that city, the town dues being levied, so it appears, for the use of the port, whether a vessel carrying goods actually goes into dock or not.

DOCK DUES.—Dock dues are payments made to the owners of docks by shipowners using the docks in the proportion to their ship's tonnage, and by shippers when they are entered at the Custom House.

DOCKETS.—The summaries which are made of the contents of letters or other documents. In the old pigeon-hole system of filing letters, they are folded in one uniform size, with a blank space outside on which the docket is written. "Docketing" obviates the necessity of looking at every letter in a certain bundle when searching for a particular one. Modern filing systems have done away with much of the need for the docket.

DOCK WARRANTS.—Dock warrants are orders or authorities for the removal of goods and merchandise warehoused in the various docks. The orders are granted by the proper officer at the docks, on application of the importer, in favour of anyone whom the latter shall name. In the Factors Act, 1889, a dock warrant is included in the phrase "document of title," and is defined as being a "document used in the ordinary course of business as proof of the possession or control of goods, or authorising, or purporting to authorise, either by indorsement or by delivery, the possessor of the document to transfer or receive goods thereby represented." It passes by indorsement and delivery, and transfers the absolute right to the goods described in it. The lawful transfer of a dock warrant to a person as a buyer or owner of the goods, and its transfer by that person to another, who takes it in good faith and for valuable consideration, has the same effect for defeating any vendor's lien or right of stoppage *in transitu* as the transfer of a bill of lading has for defeating the right of stoppage *in transitu*. But where the question is only between the immediate parties to a contract, a dock warrant is not a document of title to the goods referred to in it, but only a mere token of authority to receive the possession of the goods; and it does not, like a bill of lading, pass the possession by indorsement to another person so as to prevent the seller of the goods stopping them *in transitu*, unless an established custom to that effect is proved, which was in the contemplation of the parties to the contract. A dock warrant is liable to a stamp duty of 3d, which may be denoted by an adhesive stamp, to be cancelled by the person by whom the instrument is executed or issued. The inset shows the usual form of dock warrant.

DOCKYARD.—In the fullest meaning of the word, a "dockyard" is a government establishment where ships of every kind are built and repaired, and supplied with the men and stores required to maintain them in a state of efficiency for war; but in practice few, if any, existing dockyards are of so complete a nature; many of them, for instance, do not undertake the building of ships at all, while others are little more than harbours where a ship may replenish her stores and carry out minor repairs. Private firms are relied on for the construction of many ships down to an advanced stage, the Government dockyards completing and equipping them for commission. There are royal dockyards at Ascension, Bermuda, Bombay (Royal Indian Marine), Gibraltar, Haulbowline (Royal Alexandra), Hong Kong, Kidderpore (Royal Indian Marine), Malta,

Port of London Authority

Deck Lot

No. B 18153

ROTS. 8974

Dated this 12th March, 19

Warrant for Fifty Slabs Marble Master Jones
imported in the Osprey entered by H. Smith & Co
from Genoa deliverable to N. Robinson & Sons
on the 1st March, 19



or Assigns by endorsement hereon.

Rent commences on the

7th March 19

and all other charges from the date of this Warrant.

MARK	Lot				WEIGHT				Net				WEIGHT			
	Slabs	Bricks	Cwt	qrs	Tare	qrs	lbs	Cwt	Slabs	Bricks	Cwt	qrs	Tare	qrs	lbs	Cwt
H.T.J.	1	5	8	3	16				1	5	9	2	4			
		5	9	1	4					5	10	3	8			
		5	0	2	3					5	7	3	15			
		5	9	1	5					5	9	2	5			
		5	8	3	17					5	8	3	1			
			46	3	17						46	2	5			
											46	3	17			
											93	1	22			

Ledger A

F^o 289

E. Brown Clerk.

J. Simpson Warrant Clerk

Pembroke, Portland, Port Said, Portsmouth, Rosyth, Sydney, Weihaiwei, West India Docks (Naval Store Depot).

DOCUMENT.—Any specific paper or writing.

DOCUMENTARY BILL.—A documentary bill is a bill of exchange which is accompanied by various documents, such as bill of lading, dock warrant, delivery order, policy of insurance, invoice. They are largely dealt with by bankers, who make advances upon them.

When a banker advances against shipments he sends the bill abroad, with the bills of lading attached, for payment. When the documents are given up against acceptance, the banker has then to rely upon the acceptor, regarding whom he should have satisfactory information.

Where a credit is opened abroad at a customer's request against bills of lading, policy, etc., the foreign banker draws on the banker in this country and sends the bill, with the documents attached, to the English banker. The documents may be taken by the customer and paid for at once; or the amount may be charged to the customer and the documents held as security until required. In some cases the bills of lading may be handed to the customer and a letter taken from him hypothecating the goods to the bank, and undertaking to hand over to the bank the proceeds from the sale of the goods, and until that is done the customer agrees to hold the goods or the proceeds in trust for the bank. When this is done, a separate account is usually opened for the operation. In such cases the banker really parts with his security and has to rely upon the honour of his customer. In case of failure, trustees generally recognise these undertakings. There is the danger, however, that there may be a contra account due from the customer to a purchaser of the goods, in which case, as the latter has no notice of the hypothecation, he is entitled to deduct the contra account from the amount he is due to pay as the purchase price of the goods.

When documentary bills are discounted, the banker takes a note of hypothecation or memorandum of deposit, from the customer, by which the bill of lading and the goods are pledged to the banker and under which he is given a right, if necessary, to sell the goods. The stamp duty upon the note of hypothecation, or memorandum of deposit, is 6d.

If a banker sells a documentary bill, he indorses it and thus becomes liable thereon; the bills of lading, indorsed in blank by the shipper, and the insurance policy, accompany the bill.

A banker keeps a record of all his liabilities on acceptances and indorsements.

Where documents are given up against payment of a bill under rebate, the rate is usually $\frac{1}{2}$ per cent. above the deposit rate of the principal London banks, and is calculated from the date when the money (free of cost) will be in the hands of the person entitled to receive it, and at the place where it is payable. A receipt is indorsed upon the bill that the amount has been paid under rebate at per cent.

DOCUMENT CREDIT.—This term is used to signify a letter of credit which is issued on condition that certain specified securities shall be deposited as collateral security for moneys advanced.

DOGS, THE LAW AS TO.—The dog is a domestic animal, and is considered to be goods or property. It is, therefore, an offence to steal a dog, the same

as it is an offence to steal goods. If a dog, which is not known to be vicious, bites a person, it is generally allowed this first bite free, although the consequences to the person bitten may not be pleasant. It is an offence to shoot a dog which is trespassing on the land of another. If the dog is wilfully sent upon the land of another, the offence, if any, is committed by the man, not by the dog.

An Act to consolidate the enactments relating to injury to live stock by dogs, and otherwise to amend the law, was passed in 1906. The owner of a dog shall be liable in damages for injury done to any cattle by that dog. If, on complaint, a court of summary conviction is satisfied that a dog is dangerous, and not kept under proper control, the court may order the dog to be kept under proper control, or be destroyed. The penalty for disobedience is 20s. for every day of disobedience. Dogs in the highway must wear a collar with the name and address of the owner inscribed upon it. This rule is only compulsory in those parts of the United Kingdom where the local authority orders it. To prevent the worrying of cattle, dogs must not be allowed to stray between sunset and sunrise.

If a police officer considers that a dog is a stray dog, he may seize and detain it until the owner has paid all expenses. If the dog wears a collar with a name and address upon it, a notice will be sent to that address, stating that the dog will be sold or destroyed within seven days if not claimed before then. All expenses incurred by the police must be paid. No such dog seized shall be given or sold for the purposes of vivisection. The chief officer of police of each district must keep a register of all dogs seized, and this register shall be open to public inspection on payment of a fee of 1s. Establishments which receive stray dogs must also keep a register, and are entitled to charge 1s. for inspection thereof.

If a person finds a stray dog, and takes possession of it, he must restore it to its owner, or give notice to the police of his district. The notice must be in writing, and must contain full particulars, e.g., a description of the dog, where it was found, and who is detaining it.

An annual licence must be taken out by the owner or keeper of every dog which is more than six months old, the charge (duty) is 7s. 6d. (See LICENCES.) No licence need be taken out for young hounds under twelve months old, if they have not been used in any pack of hounds. No licence is required for a dog kept by a blind person for his or her guidance. Sheep dogs are exempt from licence. The owner, whether farmer or shepherd, must fill up the proper form, and state that the dog is kept solely to tend sheep or cattle. If the farm is very large, as many as eight dogs may be kept without a licence. Heavy penalties are exacted if there is any fraudulent misstatement made in the declaration.

If it is necessary in the public interest to do so, a public department may order that all dogs used for domestic purposes shall be muzzled.

DOGSKINS.—The skins of dogs are used for a variety of purposes, some being tanned and employed in the manufacture of boots, shoes, and gloves; while other long-haired kinds are valuable for mats, coats, etc. The latter sort is exported from New Chang, in China.

DOGWOOD.—A species of cornel tree, noted for the hardness of its wood, from which tool handles, cogs, and skewers are made. It produces the best

charcoal for the manufacture of gunpowder, and it yields an oil, similar to olive oil. It is also valuable in medicine, a purgative and febrifuge being obtained from the bark.

DOIT.—A small piece of Dutch copper money—also called "duyt"—in value the eighth part of a stiver, or half a farthing in English money.

DOLLAR.—(See FOREIGN MONIES—CANADA, CHINA, MEXICO, UNITED STATES)

DOMICIL.—The term is not capable of being exactly defined, but it indicates generally the place where a person has his true, fixed, and permanent home, and to which, whenever he is absent, he has the intention of returning at some time or other. It is frequently extremely difficult to decide, when a person changes his place of residence, what is his particular domicile at any particular time; yet it is most important to know it, since it is the law of the domicile which decides the capacity to contract in all the most important private affairs of life.

In 1869, in the case of *Udny v Udny*, Lord Westbury described what the law of domicile is as accepted in the English courts, as follows: "It is a settled principle that no man shall be without a domicile, and to secure this result, the law attributes to every individual as soon as he is born the domicile of his father if the child be legitimate, and the domicile of the mother if illegitimate. This has been called the domicile of origin, and is involuntary. Other domiciles, including domicile by operation of law, as on marriage, are domiciles of choice. For as soon as an individual is *sui juris*, it is competent to him to elect and assume another domicile, the continuance of which depends upon his will and act. When another domicile is put on, the domicile of origin is for that purpose relinquished, and remains in abeyance during the continuance of the domicile of choice; but as the domicile of origin is the creature of law, and independent of the will of the party, it would be inconsistent with the principles on which it is by law created and ascribed to suppose that it is capable of being by the act of the party entirely obliterated and extinguished. It revives and exists whenever there is no other domicile, and it does not require to be regained or reconstituted *animo et facto*, in the manner which is necessary for the acquisition of a domicile of choice. Domicile of choice is a conclusion or inference which the law derives from the fact of a man fixing voluntarily his sole or chief residence in a particular place, with an intention of continuing to reside there for an unlimited time. This is a description of the circumstances which create or constitute a domicile, and not a definition of the term. There must be a residence freely chosen, and not prescribed or dictated by any external necessity, such as the duties of office, the demands of creditors, or the relief from illness; and it must be residence fixed not for a limited period or particular purpose, but general and indefinite in its future contemplation. It is true that residence originally temporary, or intended for a limited period, may afterwards become general and unlimited; and in such a case so soon as the change of purpose, or *animus manendi*, can be inferred, the fact of domicile is established. The domicile of origin may be extinguished by act of law, as, for example, by sentence of death or exile for life, which puts an end to the *status civilis* of the criminal; but it cannot be destroyed by the will and act of the party. Domicile of choice, as it is gained *animo et facto*, so it may be put an end to in the same manner."

In the ordinary mercantile contracts the capacity

of contracting is probably governed by the law of the country where the contract is made, but the point is difficult and the question is not free from doubt.

No person can be without a domicile. If he changes from place to place, and has no fixed determination of fixing his permanent abode in any particular country, the law of England presumes that he has either never lost or has reverted to the domicile of his origin. It is the combination of the two things—residence and intention to remain—that are the most important factors in deciding where a person has his domicile, and without these two it is assumed that there is an intention to return to the original abode.

In a recent case it was decided that, in spite of the almost continuous residence of a stranger in this country for twenty-eight years, there had not been shown a fixed and settled intention of abandoning the domicile of origin—the United States—and, therefore, legacy duty, which was claimed by the Crown on the basis that the stranger had acquired an English domicile was not payable. A person's desire to retain a domicile is ineffective if, in fact, the two things necessary are not combined, or if his own acts indicate an intention contrary to the wishes he may have expressed.

Domicils are usually described as being of three kinds: Of origin, of choice, and by operation of law. The domicile of origin is that which a person receives at his birth. In the case of a legitimate child, born during the lifetime of its father, the domicile is that of the father at the moment of birth, and it changes if the domicile of the father changes; if the father dies before the child attains twenty-one years, then if the child lives with his mother, her domicile is his, and his domicile changes with hers. An illegitimate child (like a posthumous child) takes the domicile of his mother, and retains it during minority; after majority he can acquire an independent domicile, but until he acquires a new domicile his domicile of origin remains, and if he abandons his domicile of choice, his domicile of origin revives. A foundling is domiciled in the country where it is born or found. Where a person has become a lunatic after attaining his majority, his domicile remains as it was at the commencement of his lunacy, and is not affected by a change in the domicile of the person who has his legal custody. It may be noted here that English courts exercise jurisdiction to inquire into the lunacy of a foreigner, domiciled abroad, but temporarily here, though he possesses realty abroad, and has no property here, except personal chattels brought with him.

The domicile of choice is that which a person *sui juris* fixes upon for himself, and is acquired by the combination of residence and the intention of permanent or indefinite residence in the new place of abode; so that if it were perfectly clear that the intention of removing was to make a permanent settlement, a right of domicile could be acquired in a few days. The domicile of origin is retained until a domicile of choice is, in fact, acquired, and the domicile of choice is retained until it is abandoned either by the acquisition of a new domicile of choice, or the resumption of the domicile of origin. A new domicile is, of course, not acquired by the mere intention of establishing a permanent residence in another country, but the intention must be completed by actual residence. The onus of proving a change of domicile lies upon the person who asserts it, and must be proved by satisfactory evidence, e.g., a

person whose domicile of origin was English did not lose it, and gain a Scotch domicile, by making his home in Scotland for several years, because the surrounding facts did not clearly show his intention to abandon his domicile of origin. There are certain presumptions against a change of domicile, *e.g.*, an exile from a foreign country does not acquire a domicile here from the mere fact of settling in England, nor will an Englishman be readily deemed to have acquired a domicile in a country in which the social, political, and religious institutions differ from those of England; but these presumptions may, of course, be rebutted by evidence of the particular circumstances in each case.

The domicile by operation of law is that which the law presumes, either from the dependent condition of the person, or from the circumstances of the case, when it is not clear what the exact intentions of the party were as to his future residence. Thus, the domicile of a wife is always the same as that of her husband, and changes with every change of the domicile of her husband, even if she lives apart from him; and a minor takes that of his parent or guardian. A widow retains the last domicile of her husband until she changes it, which she can do in the same way as any other person not subject to legal disabilities; and the position of a divorced woman is like that of a widow, for she retains the domicile she had immediately before the divorce until she acquires another, a wife who is judicially separated from her husband can in some respects, at any rate, acquire a domicile of her own.

Persons in the diplomatic or consular services do not acquire a domicile in the place where they are engaged, for they are liable to be transferred or recalled at any time, nor does a person travelling abroad for the benefit of his health acquire a new domicile. A British subject may, of course, have a Colonial domicile of origin, and if such subject acquires according to English law a domicile of choice in a country where the local law does not recognise domicile, but distributes the movables of a foreigner dying within its jurisdiction according to the law of his nationality, the English courts will distribute his movable assets according to the law of his Colonial domicile of origin.

As to marriage settlements, they are, generally speaking, governed by the law of the domicile as regards their validity and construction, unless another law is adopted by the contract itself in the place of the law of the domicile. It may be noted here that, where parties intermarry under a matrimonial *régime*, the law of which gives to each of them certain rights over property acquired by either of the spouses during the marriage, even though there is no marriage settlement, a subsequent change in their domicile will not affect those rights, as the law of the matrimonial *régime* is incorporated by inference into the contract of marriage and determines the succession to such property, *e.g.*, where two French people intermarry, and subsequently came over to and lived in England for many years, and the husband acquired a huge fortune in business, it was held that he could not dispose of the fortune by will as he wished, irrespective of the claims of his wife under the matrimonial *régime* of their domicile of origin.

Wills are governed as regards their meaning and interpretation by the law of the domicile of the testator. It should be noted that leaseholds, although they are personal property by English

law, are real property according to international law; and, therefore, a will that deals with English leaseholds must comply with the requirements of English law, in the same way as a will dealing with English real property. As to succession to property, the *bona vacantia* or unclaimed personal property in England of an intestate and heirless foreigner, domiciled and dying abroad, falls to the English Crown, and not to the government of the deceased's domicile, for the principle that "movable chattels follow the person" only applies to distribution, and not to a prerogative right of the Crown. A British subject residing or staying temporarily abroad can (since 1861) make a will (*q.v.*) as far as his personal property is concerned, either in English form, or in the form in vogue in the country where he is residing, or in the form of the country where he is domiciled, or in the form of that part of the British dominions where he had his domicile of origin.

The domicile of a corporation is the place which is considered by law to be the centre of its affairs. In the case of a non-trading corporation, it is the place where its functions are discharged. The domicile of a trading corporation or company is its principal place of business, or where its head office is and its administration is chiefly carried on. For the purpose of the Income Tax Acts, a company registered here, with a registered office here, and governed by a board which meets here, is resident here, and profits derived from a trade carried on partly within and partly without the United Kingdom are all assessable, whether received here or not. A foreign corporation may reside in this country for the purposes of income tax; the test of residence is, not where it is registered, but where it really keeps house and does its real business; the real business is carried on where the central management and control actually abides, and whether any particular case falls within the rule is a pure question of fact to be decided not according to the construction of any particular by-law or regulation, but upon an examination of the course of trading and business. On the above principles the De Beers Consolidated Mines, Ltd., were held liable to pay income tax in England.

Domicile must be clearly distinguished from nationality. A foreigner may settle in England with the full intention of remaining here, and yet, although domiciled, may not become naturalised. He retains his nationality, which is different from his domicile. Nationality is of political importance in many cases, and each country has its own peculiar laws by which its subjects are bound, whatever their domicile, and which it may enforce against them either by international privileges accorded, or on their chance return to their native land. Domicile has to do with commercial and domestic matters simply, and regulates the ordinary transactions of every-day life. The importance of the determination of domicile will be seen more fully in the article on INTERNATIONAL LAW (*q.v.*). According to Professor Westlake, the modern tendency is to substitute political nationality for domicile as the test of personal law as far as possible. (See WILLS.)

DOMICILED BILL.—This is the name which is given to a bill which is made payable at some place other than the residence or business house of the acceptor. Many firms domicile their bills at the head office or London agents of their bankers.

DOMINICA.—(See SAN DOMINGO.)

DONATIO MORTIS CAUSA.—A Latin phrase, signifying a gift made in contemplation of death.

It is limited to a gift of personal property made by the deceased, either personally or by an agent acting in his presence, and completed by manual delivery to the donee. It is upon condition, which need not be expressed but may be inferred, that it is to take effect only in case of the death of the donor. If the donor recovers from his illness, the gift is revoked. The gift may be of the property itself, or of the means of obtaining possession of the property, or of the documents of title to the property. A *donatio mortis causa* operates not from the death of the donor, but from the delivery during life to the donee. It is liable for the payment of the debts of the donor if his assets are insufficient for the payment of his debts, but it forms no part of his assets. It is liable to legacy and estate duty, but it does not require probate or the executor's assent. An excellent example of the gift was where a man expecting to die at any moment gave his sister-in-law a banker's deposit note, saying that he was going to give it her conditionally: if he got well, she would give it him back; and if not, she was "all right." There the condition attached to the gift was accurately expressed, but it is sufficient if it is clear that the gift was intended to be absolute only on the donor's death. A gift may be good as a *donatio*, although coupled with a trust or condition that the donee shall do something as, e.g., that he shall provide and pay for the donor's funeral. It has been decided that the following are capable of being the subject matter of a *donatio*: bank-notes, coins, mortgage deeds, bonds, promissory notes, bills of exchange, cheques payable to the donor's order and not indorsed, deposit receipts (though stated to be not transferable), a policy on the donor's life, a post office savings bank book, but not a deposit invested by a savings bank in Government stock, even though the certificate of investment be given also. A gift of a cheque upon a banker is not good as a *donatio*, because it is a gift which can only be made effectual by obtaining payment of it in the donor's lifetime, and is revoked by his death. Again, a deceased person's own promissory note, is not a good *donatio*: see *In re Leaper*, 1916, 1 Ch. 579. An instrument which forms no part of the title to property cannot take effect as a *donatio*, e.g., a receipt for South Sea annuities, which was a document forming no part of the title to the annuities; and this principle has been applied to scrip certificates for railway stock. The gift of a box containing share certificates and other valuables, where the donor retains the key of the box, is not a good *donatio*. An absolute and irrevocable gift cannot, of course, be a *donatio*. A *donatio* resembles a legacy, but differs from an ordinary gift, as it is incomplete and revocable during the donor's life. It differs from a legacy in that it does not need probate, owing to the donee's title being directly derived from the donor in his lifetime, it is not a testamentary act; and it is taken not from, but against, the executor, whose assent is not necessary. If the subject matter of a *donatio* is already in the possession of the donee at the time when the donor wishes to make the gift, it is not necessary to re-deliver it to the donor. Even at common law a *donatio* could always be made to the donor's wife.

DORA.—Upon the outbreak of the Great War in 1914, an Act of Parliament was passed which was called the Defence of the Realm Act 1914. This Act gave power to His Majesty in Council during the continuance of the war to issue regulations

as to the powers and duties of the Admiralty and Army Council, and of the members of His Majesty's Forces, and other persons acting on his behalf for securing the public safety and the defence of the realm; and authorised the trial and punishment of persons contravening such regulations by courts martial or otherwise. Under this Act regulations of the most drastic character were passed between 1914-18, and in effect the whole government of the country and the liberty of the subjects were transferred from Parliament to the Executive. The name of "Dora" was given to the Act and the regulations, the letters of this word being taken from the initial letters of the words giving the title to the Act.

DORMANT PARTNER.—(See SLEEPING PARTNER.)

DOUBLE ACCOUNT SYSTEM.—This system of book-keeping is applicable to concerns the capital of which is expended in assets necessary for earning revenue, but which are not of a re-saleable nature. These concerns include such undertakings as railways, gas companies, electric light companies, tramways, water companies, etc., and as they utilise their capital for the acquisition or construction of the undertaking, a "Receipts and Expenditure on Capital Account" is made up to be read in conjunction with the balance sheet, and linking up with the same.

This account shows clearly the capital raised by means of stock, shares, debentures, or loans, and also the cost of the fixed assets of the undertaking. The balance only of this account is taken to the balance sheet in contradistinction to, in the case of the single account system, the detailed fixed assets and liabilities.

The various assets, when accounts are kept on the double account system, always remain at cost value, and consequently the only way in which their depreciation can be provided for is by raising a depreciation fund, by the accumulation of periodical charges to revenue account. This depreciation fund appears among the liabilities in the balance sheet.

In the single account system, as each asset appears in the balance sheet separately, depreciation can be written off as may be thought advisable or necessary, and the present book value of each asset so ascertained at a glance.

Accounts drawn up on the double account system, and the balance sheet of the same undertaking, shown in the form in which it would appear if presented on the single account system, are given as illustrative on the following page.

DOUBLE ENTRY.—This is the name given to a scientific and perfect system of book-keeping, involving two entries for each transaction, i.e., a debit for each credit. It is the system universally adopted and advocated by all professional accountants. It has many advantages over other so-called systems, all of which are more or less incomplete. Among these advantages are—

1. The risk of clerical error is minimised.
2. By full nominal or impersonal accounts being used, it is practicable—
 - (a) To draw up a trading and profit and loss account at any time, showing profits made or losses incurred in detail.
 - (b) To compare purchases, sales, expenses, etc., with corresponding items in previous accounts.
 - (c) To check expenditure.
3. It enables the amounts owing to and by the firm to be accurately arrived at.

RECEIPTS AND EXPENDITURE ON CAPITAL ACCOUNT TO DECEMBER 31ST, 1920.

GENERAL BALANCE SHEET, DECEMBER 31ST, 1920.

Balance Sheet—December 31st, 1920.
(SINGLE ACCOUNT SYSTEM.)

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4. It provides information for drawing up a balance sheet.

5. It assists in the prevention of fraud, by making it more difficult for alterations to be made in the accounts.

6. It affords easy reference to details included in both personal and impersonal accounts.

(See BOOK-KEEPING, SINGLE ENTRY BOOK-KEEPING, CONVERSION OF SINGLE ENTRY TO DOUBLE ENTRY.)

DOUBLE INSURANCE.—(See MARINE INSURANCE)

DOUBLE PRICES.—The quotations for stocks and shares always consist of two prices; and if, exceptionally, one price only is mentioned, this is for the sake of brevity, and is understood to mean the middle price, i.e., the mean between the buying and selling prices. As is explained under the heading of BROKER, the jobber or middleman who deals in a security has to be prepared to deal either way, that is to say, he may be called upon to sell, or he may be called upon to buy a line of stock. To protect himself, therefore, he always gives two prices, the first or lower one being that at which he is prepared to purchase a reasonable quantity of stock, and the second or higher one being that at which he is willing to sell a parcel of stock. The difference is known as the "jobber's turn." If this margin is considerable, as, for example, 30-35, the quotation is known as a wide one; this indicating that, if called upon to purchase, the jobber would be prepared to pay 30, whereas for the sale of stock he would ask 35. Should the margin be a close one, as, for example, 77½-77¾, the price would be known as a narrow one, the buying and selling prices being respectively £77 15s., £77 17s. 6d. per £100 of stock. The two prices are usually separated by a dash, and the second price is usually indicated by the unit or fraction only. It may be said that in actual practice the margin between the two prices is not always as wide as is indicated in the quotations, jobbers being often willing to deal within the limits given.

DOUBLOON.—A Spanish and Portuguese gold coin, of the value of about £1 0s. 8d. It has not been coined since 1868, though it is still current. The doubloon is also met with in South America.

DOWER.—This is the right of a widow to receive out of her husband's real estate, provided he has died intestate, one-third of the rents of the same, unless there is a declaration against dower in the conveyance to the husband. The right to dower, unlike the right to curtesy (*q.v.*), is not dependent upon there being any issue of the marriage. The right to dower is irrespective of any share of the widow in other respects to a part of the estate of her deceased intestate husband. (See FREEBENCH.)

DRACHMA, DRACHMAL.—(See FOREIGN MONIES—GREECE.)

DRACHME.—(See FOREIGN WEIGHTS AND MEASURES—GREECE.)

DRAFT.—This word is derived from the verb "to draw," and was formerly spelled "draught" and "drawght."

Bills of exchange on demand, or after sight, or after date, are called drafts, because they are drawn by one person on another. Cheques also are sometimes called drafts; but the word "draft" is used principally when referring to a banker's own draft, or instrument drawn upon another banker or upon one of his own branches, or to a draft drawn upon his London agents or London office, at seven, fourteen, or twenty-one days after date, or on demand,

or to a foreign draft drawn by a banker in one country upon a banker in another. When a draft is issued by one branch bank upon another bank, or by a country bank upon its London agent an advice describing the draft is sent by the drawer to the drawee by the same day's post.

Where a customer applies for a draft and desires the amount to be debited to his account, a cheque must be taken for the amount or the application form be stamped two pence.

A banker should not stop payment of a draft issued by him upon his head office, or another branch, or his London agents, as he is liable to pay it to a *bonâ fide* holder; but if he receives notice that it has been lost, he will exercise great care before paying it, particularly if there is any suspicion that the indorsement is forged.

Other meanings attached to the word are: (1) Anything sketched roughly, or in outline; (2) the first copy of a document; (3) the depth to which a vessel sinks in the water; and (4) an allowance made by a wholesale merchant or manufacturer to a retailer for dust, waste by evaporation, and the turn of the scale.

DRAGON'S BLOOD.—The red, resinous exudation of various trees of the East Indies and South America; but the name is also extended to the resins obtained from the Australian *Eucalyptus resinifera* and from the dragon tree of the Canary Islands. It is exported in sticks, which are carmine red when pulverised. It is soluble in alcohol and in oils, and is chiefly used for colouring varnishes and other substances, such as marble, horn, etc. Tinctures and tooth powders are also prepared from it. It is sometimes known as gum dragon. The chief supplies come from Sumatra.

DRAINAGE, AGRICULTURAL AND SANITARY.

—1. **Agricultural.** (a) *Commissioners of Sewers and other Bodies.* Amongst the earliest measures taken by our kings or Parliament for protecting agriculture were those to prevent lands from being flooded by encroachments of the sea or the inundations of rivers. The natural or arterial system of drainage by the rivers and streams needs to be connected and supplemented by artificial means; and before there were any recognised local authorities charged with the duty of providing such means, and empowered to charge their cost on landowners or other persons to be benefited, it was only by the Crown's general prerogative right to take the initiative for the safety of the nation that what was necessary could be done. Thus, before any public statute can be found dealing with the subject, commissions were issued by the Crown to Commissioners who were to enquire into the defects of watercourses and the persons responsible for their repairs, and were invested with powers to enforce contributions to the expenses of making repairs; but the Crown could only charge those persons who were by custom liable to contribute to the maintenance of works already existing. The Commissions, therefore, could not order new constructions, nor make persons who would benefit by the works liable to contribute to the expenses. Of the statutes which afterwards regulated the issue of commissions, there still remains in force, as the foundation of all similar legislation passed since, the Bill of Sewers of 1531 (23 Hen. VIII. c. 5). Afterwards all commissioners of sewers who were appointed by the Crown acted under the powers of this or subsequent statutes; yet their powers were not enlarged until the "Act to Amend the Law of Sewers in 1833"

(3 and 4 Will. IV. c. 22), under which the Commissioners could erect new works and purchase land for maintaining existing works.

Another and complementary system was introduced by the Land Drainage Act, 1861 (24 and 25 Vict. c. 133), which, besides, improved the procedure under the old system. This Act is the last of the Acts that deal with the subject of floods prevention and other matters in the purview of the Commissioners, though Rivers Conservancy and Floods Prevention Bills were introduced into Parliament in 1881 and 1883, but have never been passed.

The new system was that of drainage boards for separate drainage districts elected by certain classes of electors as prescribed by the Act. Any persons or body of persons, corporate or incorporate, being proprietors of not less than a tenth part of the acreage of any bog, moor, or other area requiring a combined system of drainage, may, by a Provisional Order of the Board of Agriculture and Fisheries (*q.v.*), subject to confirmation by Parliament, constitute such area a separate drainage district. The voters are persons paying the sewers rate, and their number of votes is determined by the rateable value of their property, though this may be varied by the Provisional Order.

Besides the Commissions and Drainage Boards, there are many local authorities who act under Local Drainage Acts; and it was provided in the Act of 1861 that separate drainage districts should not be formed without the consent of the Commissioners of Sewers or other bodies having local jurisdiction.

This conflict of local authorities has been one of the main reasons why none of the Acts above-mentioned has worked satisfactorily; and in the Bill of 1883 there was a provision that where the Conservancy Board set up by the Bill could not exercise its powers without interference with these local authorities, a Provisional Order might sanction such interference.

The legal position of the Drainage Boards is the same as that of the Commissioners of Sewers. The jurisdiction of the Commissioners, whether by Act of Parliament or by custom, is exercisable by the Drainage Boards. By the Act of 1833 this jurisdiction was defined as comprising all walls, banks, culverts, and other defences whatsoever, whether natural or artificial, situate or being by the coasts of the sea; and all rivers, streams, sewers, and watercourses which are navigable, or where the tide ebbs and flows, or which communicate with such navigable, or tide river, stream, or sewer; and all walls, banks, culverts, bridges, dams, flood-gates, and other works erected or to be erected upon, over, or adjoining any such rivers, streams, or watercourses. The jurisdiction, therefore, extends only over tidal or navigable rivers.

Both Commissioners and Drainage Boards may now acquire necessary lands by agreement or compulsorily for maintaining old works or making new ones.

It will be gathered from the foregoing account that, prior to the Act of 1861, the proceedings were archaic and cumbrous. A grand jury had to be sworn to enquire into and make a presentment to the court as to obstructions or wants of repair, and the persons who were liable, before the Commissioners could make an order against any particular person. Since the Act of 1861 the Commissioners may make an order without the presentment of a jury; but there is an appeal to quarter sessions;

which, besides confirming or annulling or modifying the order, has power to refer to arbitration.

The powers of the Commissions and of the Drainage Boards, even after the Act of 1861, are also very inadequate as regards rating; and this is one of the reasons why the Acts relating to sewers are very unequal to modern needs. They only provide for the draining of agricultural land; and there is no power to levy rates on houses in towns which would benefit by drainage and be saved from flooding. The rate can only be levied on persons whose lands are benefited in proportion to the benefit to be received. Hence before 1861, when new works were proposed to be executed, the consent of the owners of three-fourths of the lands to be charged had to be obtained, and the difficulties as to limited ownership, minorities and disabilities must be added to the main one of obtaining the consent of owners to new rates. Now new works may be carried out, without consent, unless they exceed £1,000. In this case the proprietors of half the area affected may express dissent; and if they do, the works cannot proceed; otherwise they may be executed.

The Commissioners have power to take lands compulsorily for new works under Provisional Order from the Board of Agriculture. No new Commissions are now issued, since the Act of 1861 provided for Drainage Boards, nor old Commissions altered as to area or powers, unless the Board of Agriculture, after enquiry, so recommends.

(b) *Powers of Individuals.* Besides such provisions as described, the Act of 1861 enables private owners to procure outfalls for the drainage of their lands through the lands of adjoining owners. Any person interested in land may apply to an adjoining owner for leave to open new drains through his land, or to cleanse, widen, straighten, or improve drains already existing there. The assent of the adjoining owner is to be given under seal containing the terms and compensation required. There are provisions for cases of disability or incapacity to assent; and any occupier or person other than the owner is entitled to compensation for any injury, if he claims within twelve months after the improvements are completed. The assent is recorded by the applicant in the office of the clerk of the peace. Assent not being given within one month, the decision may be referred to two justices of the peace or to an arbitrator. On a decision that no injury will be caused, the applicant may proceed; and on a decision that any injury may be fully compensated by money, and after assessment and payment, the applicant may proceed. If the decision is that the injury is such that it cannot be fully compensated in money, the applicant is debarred from going on. The provisions are similar to those in the earlier part of the Act, where Commissioners desiring to interfere with any mill dam, weir, or other obstruction are prevented unless with the consent of the owner. The applicant has the permanent right of entering to keep the drains in order, or the owner of the land may keep them in order and recover the cost. The owner may also fill up or divert the drains if he substitutes others as efficient, and disputes as to this go to two justices.

In the analogous case of any person desiring to construct a drain to divert any natural watercourse, the Act makes provision for notice and dissents similar to the preceding.

(c) *Borrowing Money for Drainage.* Acts known as Drainage Acts were passed from 1846 to 1856 for the purpose of encouraging agriculture, "and

employment for the labouring classes," by Government loans to carry out private drainage schemes. It is significant that the first Drainage Act of 1846 recited that in the last session of Parliament an Act had been passed for facilitating the enclosure and improvements of commons. The "owners" of land who were allowed to borrow public money, and make the drainage improvements, were persons of limited interests, who could not otherwise have charged the lands for this purpose. In 1864 the Improvement of Land Act (27 and 28 Vict. c. 114) further enabled such owners either to expend their own money or money borrowed for drainage improvements, mostly from land companies which had come into existence under the Land Drainage Act of 1849; this latter Act having first allowed the applying of private money by limited owners for drainage schemes and making it a charge on the land. The Act of 1864 repealed and enlarged the powers of that of 1849, and allowed other improvements besides drainage schemes. The borrowing and the proposed scheme have to be sanctioned by the Board of Agriculture (*q.v.*), which makes a provisional order if a permanent improvement is effected producing more than the yearly amount of the charge for the borrowed money. The improvements include drainage, and the straightening, widening, deepening, or otherwise improving drains, streams, and watercourses; the irrigation and warping of land; the permanent embanking and weiring of land from the sea or tidal waters, or from lakes, rivers, or streams. The Board may authorise entry upon adjoining lands for executing any works thereon which it thinks expedient for carrying out the improvement sanctioned. Since the Settled Land Act, 1882 (45 and 46 Vict. c. 38), improvements that may be made under the Improvement Act, 1864, are also improvements under the Settled Land Act; so that capital money may be expended by the trustees of a settlement after a scheme has been submitted to the trustees or the court by the tenant for life and approved, and the certificate of the Board has been given as to the proper execution of the works.

2. Sanitary Drainage. As drainage on a large scale for the purposes of agriculture had been entrusted to local Commissioners of Sewers, or bodies acting under local Acts, or to drainage district boards, so the primitive common law as to drainage was altered and made suitable for the growing town populations by local Acts obtained from the legislature. The modern law of sanitary drainage may be dated from the year 1845, when the Model Acts were passed by Sir Robert Peel. They set out various general provisions which were to be embodied in any local Acts afterwards passed; and amongst them were provisions as to drainage. In 1848 the first Public Health Act was passed; and the Public Health Act, 1875 (38 and 39 Vict. c. 55), codified the existing sanitary law. The law for England outside the metropolis as to sanitary drainage is, therefore, to be found in the latter Act or subsequent extensions. For the metropolis there are special Acts, and the law to a considerable extent is different. The question of the authorities who administer the general sanitary law is treated under the title LOCAL GOVERNMENT.

(a) *Drain or Sewer.* The leading distinction is between drain and sewer. A drain in ordinary language is an artificial conduit or channel for carrying off water, sewage, etc. By the definition of the Act of 1875, it is—

"Any drain of, and used for the drainage of, one building only, or premises within the same curtilage, and made merely for the purpose of communicating therefrom with a cesspool or other like receptacle for drainage, or with a sewer into which the drainage of two or more buildings or premises occupied by different persons is conveyed."

What "one building" may be, or "premises within the same curtilage," are questions of construction as to matters of fact which may be difficult. As an illustration of what a curtilage would mean in this sense, we may take any ordinary farmyard round which the house and other buildings are grouped.

The owner or occupier of the one building or the premises included in the curtilage is responsible for this sort of drain. Other sorts of drains are "sewers." They belong to the local sanitary authority, and it is responsible for them.

(b) *Rights and Duties as to Drains.* Under the Public Health Acts, with which alone we are here dealing, no house may be newly erected or rebuilt, or occupied, that is, since 1848, in an urban district, without a covered drain or drains, constructed as approved by the urban authority, emptying into a sewer within 100 ft. of some part of the site not being under any house, or into a covered cesspool. There is a penalty for so doing not exceeding £50. Within any district, the local authority may, by written notice, require the owner or occupier of a house without a drain sufficient for the effectual drainage of the house, to make a covered drain or drains emptying into a sewer as above-mentioned, or, if none, into an indicated cesspool. The local authority is only entitled to consider the strict question of the drainage of the house and nothing else. In default, the local authority may do the work and recover the expenses, or may charge the owner or owners with a private improvement rate, that is, a rate over and above the ordinary rate. Each house may be required to have its separate drain, and a combined drain may be disallowed. Owners or occupiers are entitled to connect their drains with the sewers; but must follow the regulations of the local authority, under a penalty of £20; but the local authority must make the connection on payment in advance. The cost is estimated by the surveyor. If the estimate is under £50, the owner or occupier may apply to the justices to fix it; if over, it may be referred to arbitration under Public Health Acts. A local authority may agree with the owner to make, alter, or enlarge any drain or sewer for the owner. The authority may close any improper communication and recover the expenses of so doing from the offending person.

An owner or occupier cannot connect his drain with the sewer of any local authority of a district other than his own except on agreed terms, or as settled by magistrates or arbitration.

House includes schools and factories and other buildings in which persons are employed; and the Act lays down regulations for sanitary conveniences for such houses. The occupier is primarily liable by law for keeping drains, etc., cleansed, and so as not to be a nuisance; but the local authority may lay down regulations for their proper construction, and may itself do necessary work and recover expenses from the owner, or impose a private improvement rate. On a written complaint of nuisance or injury to health from drains, etc., or on the report of its own surveyor or inspector under the Public Health

Acts Amendment Act, 1907 (7 Edw. VII. c. 53), the authority may enter the premises for examination. If the drains prove to be in good condition, the expenses of restoring the premises to their former state fall on the authority; otherwise the local authority must give notice, in writing, to do what is necessary in a specified time, under a penalty of 10s. for each day of default; the local authority may execute the works and recover the expenses, or recoup itself by a private improvement rate.

Similarly the authority can order the smoke or some other test (not including the water test under pressure) to the drains with the consent of owner or occupier, or by order of justices. In default of repair, the local authority may do the work and recoup themselves, as before mentioned. The local authority may also order any cesspool or other similar receptacle for drainage, used or disused, to be filled up, removed, or altered on report of its officers that it is prejudicial to health or objectionable for sanitary reasons. The local authority has the usual powers in case the order is not complied with.

Proper sinks and drains for carrying off water may be required in any building on the report of the authority's officers; and they must be provided within the time stated in a notice to the owner or occupier; or the authority may provide them and charge the cost to them. In all the above cases, too, pecuniary penalties are imposed and daily penalties while default continues.

Where houses belonging to different owners, or where several houses belonging to the same owner, are made to drain into a common drain, this drain becomes a sewer, as has been settled by several decisions, under and repairable by the local authority; but as regards complaints or reports as to nuisances, the Public Health Act, 1890 (53 and 54 Vict. c. 59), provides for the expenses of executing works being charged by the local authority proportionately on the owners. The Act does not apply to the owner of several houses on the same system of drainage, and the common drain remains a sewer in this as well as in other respects. It is not reasonable that the difference between drain and sewer should often thus turn on what a builder may choose to do; but only in this instance of nuisances is the local authority protected.

(c) *Sanitary Drains in the Metropolis.* The definition of "drain" in the Metropolis Management Act, 1855 (18 and 19 Vict. c. 120), differs only from that in the Public Health Act by the addition of the clause: "and shall also include any drain for draining any group or block of houses by a combined operation under the order of any vestry or district board." The order need not necessarily be express. It is sufficient to show that the sanction of the combined operation was signified to the owner. As in the Public Health Acts, any other kind of drain than as defined is a sewer repairable by the sanitary authority, and not by the owner. Even if the combined operation was executed unlawfully, without the approval of the sanitary authority, it has been decided that as the resulting work does not come within the statutory definition of a drain made by a combined operation with the sanction of the sanitary authority, it must be a sewer.

In many respects there is similarity in the law of sanitary drainage under the Public Health Acts and under the Metropolis Management Acts from 1855 to 1898; and where any particular question

arises the difference must be kept in mind. But to trace these points in detail would be beyond the scope of this article.

DRAIN OF BULLION.—This is a phrase in use in the money market signifying the flowing away of the reserve of gold and silver, either in specie or in bullion, to such an extent as, if not checked, would soon leave an insufficiency in the country to meet the requirements of trade. This has reference to normal times. During the years of the Great War, and ever since, the legislature has taken the matter in hand most seriously.

DRAWBACK.—A term in commerce employed in connection with the remitting or paying back of excise duties on certain classes of articles exported. A drawback is a device resorted to for enabling a commodity affected by taxes to be exported and sold in the foreign market on the same terms as if it had not been taxed at all. It differs in this from a bounty—that the latter enables a commodity to be sold abroad for less than its natural cost, whereas a drawback enables it to be sold exactly at its natural cost. Were it not for the system of drawbacks, it would be impossible, unless when a country enjoyed some very peculiar facilities of production, to export any commodity that was more heavily taxed at home than abroad; but the drawback obviates this difficulty, and enables merchants to export commodities loaded at home with heavy duties, and to sell them in the foreign market on the same terms as those fetched from countries where they are not taxed. Most foreign articles imported into this country may be warehoused for subsequent exportation. In this case they pay no duties on being imported, and, of course, get no drawback on their subsequent exportation. In preparing goods for drawback, they must be packed in the presence of an excise officer, who sees them weighed, if the drawback depends upon weight. When the package is completed, he encloses it with a tape, which is properly fixed with a seal. Under this seal it is transferred to the port of shipment, and cleared for export by a person authorised by licence from the officers of customs. In the case of press-packed goods, the quantities and qualities must be verified by the oath of the master packer or his foreman. Drawback is given only on goods which have been charged with duties within three years, and no drawback is given on damaged or decayed goods. It is payable only to the real owners of the articles shipped. The earlier tariffs contained elaborate details of the drawbacks allowed on the exportation or re-exportation of commodities, but so far as the United Kingdom is concerned, the system of "bonded warehouses" has much reduced the need for drawbacks, as commodities can be warehoused (placed in bond) until required for subsequent exportation. For rates of drawback see CUSTOMS FORMALITIES.

DRAWEE.—The person or persons upon whom a bill of exchange is drawn, and who becomes or become, after signing the bill, the acceptor or acceptors. It is essential that the drawee and the acceptor should be the same person. All matters dealing with the drawee are noticed in the article ACCEPTOR.

In the case of a cheque, the drawee is obviously the banker upon whom the cheque is drawn.

DRAWER.—This is the person who gives the order contained in a bill of exchange. The presumption of law is that he is the creditor of the person upon whom he draws, i.e., that the drawee

has funds in his hands belonging to the drawer which the latter is desirous of transferring to a third party, the payee, or to himself. The drawer must have capacity to contract, and he must sign, either personally or by his duly authorised agent. Until he has signed, he is in no way liable upon the instrument, and he must sign the bill as such, *i.e.*, not believing it to be some other kind of instrument. If the signature is simply in the name of the drawer, he will be personally liable upon the bill. If he acts in any representative capacity, such capacity must be clearly indicated on the bill, in order to exclude personal liability. A corporation capable of contracting will draw a bill in the method authorised by its constitution, a partnership in the trade name of the firm.

The Signature. The signature should be made in ink. But a signature in pencil has been held good, and a lithographed or stamped signature is quite sufficient. But signatures of this kind are very undesirable, and some bankers might refuse to accept them without verification. Instead of the signature in the case of a corporation, the affixing of the corporate seal will have the effect of a signature.

Form. The general form of a bill of exchange is given under BILL OF EXCHANGE. No special words, however, are required to constitute a valid bill of exchange. The great point is to obtain the signatures of the parties. So, therefore, if a man signs in any part of the instrument he may be a drawer. Thus, if a bill is drawn, "I, A. B., direct you to pay," and the instrument is in the handwriting of A. B., or of his duly authorised agent, A. B. is liable as drawer.

But it is very rare for the common form of a bill to be departed from. In most cases the drawer obtains a properly stamped paper, and writes out the whole himself, signing his name in the bottom right-hand corner. In other cases, the bill may be drawn by another person and forwarded to the drawer for the purpose of obtaining his signature. It is not absolutely necessary that the signature of the drawer should be placed upon the bill before that of any other person, *e.g.*, the acceptor or an indorser. It may, in fact, be inserted at any time after issue. Of course, no person is bound to sign such a bill as drawer if it is sent to him, and no liability can attach in any way by reason of his refusal to do so.

Inchoate Instrument. The first method by which a person becomes liable on a bill as a drawer is when he signs the same before it is issued, and when he is the only party (*q.v.*) to it. The second method is when he signs a bill sent to him for his signature as drawer, which is already filled up, and probably contains one or more signatures, *e.g.*, those of the acceptor, or of an indorser, but liability as a drawer may be constituted in any other way. Thus, by Section 20 of the Bills of Exchange Act, it is enacted—

"Where a simple signature on a blank stamped paper is delivered to the signer in order that it may be converted into a bill, it operates as a *prima facie* authority to fill it up as a complete bill for any amount the stamp will cover, using the signature for that of the drawer, or the acceptor, or an indorser; and, in like manner, when a bill is wanting in any material particular, the person in possession of it has a *prima facie* authority to fill up the omission in any way he thinks fit." (See INCHOATE INSTRUMENT.)

Liability of Drawer. If the drawee refuses to accept a bill, or having accepted, fails to pay it at the stipulated time, then the drawer becomes liable to the holder of the bill, just as any indorser is also liable, though it is not necessary to sue all the parties together. As to the liability, see INDORSER. In order, however, to render the drawer liable, all the necessary and proper steps connected with dishonour and presentation must have been taken. By drawing the bill the drawer engages "that on due presentment it shall be accepted and paid according to its tenor, and that if it be dishonoured he will compensate the holder or any indorser who is compelled to pay it, provided that the requisite proceedings on dishonour be duly taken." In any action the drawer is precluded from denying to a holder in due course the existence of the payee and his then capacity to indorse. If a bill is dishonoured after acceptance by non-payment and the drawer is compelled to pay it, he himself can sue the acceptor. (See DISHONOUR, PRESENTMENT.)

Limitation of Liability. There is a method by which a drawer is able to limit his liability upon a bill of exchange, though this must affect the transfer of the same very considerably, seeing that a bill advances in value the greater the number of names, with no limitation of liability, upon it. This limitation is effected by the insertion of an express stipulation negating or limiting his own liability to the holder. Thus, "Pay A or order without recourse to me," "Pay A or order *sans recours*," or "Pay A or order at his own risk," are instances in which the liability of the drawer is restricted. The rights of A are not affected in a general way, so far as negotiation of the bill is concerned, but the drawer is in no way liable to pay the bill to any holder at any time. This restriction of liability is also allowed to an indorser of a bill, if he indorses in the same manner.

Waiver of Notice of Dishonour. It has been pointed out that the secondary liability of the drawer is dependent upon due notice of dishonour being given and proper proceedings taken upon the same. The drawer may, however, waive his rights to such notice; but this can only be done by inserting an express stipulation in the bill in the same way as for the purpose of negating liability. Thus, words such as these, "Notice of dishonour waived," will suffice to dispense with the notice. An indorser is able to waive notice of dishonour in the same manner as a drawer by adding words to that effect to his indorsement.

As to the drawer of a cheque, see CHEQUE.

The drawer of a bill payable on demand is discharged if it is not presented for payment within a reasonable time. The drawer of a cheque is, in an ordinary way, liable thereon for six years from the date of the cheque.

DRAWING ACCOUNT.—In banking an account which can be drawn upon by the firm or person any time whilst a balance remains to the credit of the account, or, if an overdraft is allowed, according to the terms upon which such facilities of overdrawing are granted—a current account.

DRAWING AGAINST SHIPMENTS.—Shipments are drawn against by documentary draft. The documentary draft is, as the name implies, that to which the drawer attaches some documents destined

to be remitted to the drawee, either at the time of acceptance of the draft, or at the time of the payment of the bill (when the draft is issued "at sight," "à vue," or "à vista," it can, of course, be only a question of delivery against payment). The documents, which circulate from hand to hand like the draft itself, may be of different kinds, such as invoices, acknowledgment of debt, etc., but they usually consist of shipping documents, charter party, or bill of lading and policy of insurance. These shipping documents serve for supplementary guarantee to the bearer of the bill; moral guarantee in the sense that there is the certainty that the draft has really for its object a serious operation and effective guarantee in that the documents established according to usage in the form "to order" act as a pledge to the bearer of the draft for the goods shipped. This pledge continues either until the acceptance or until the payment, according to which of these operations is stipulated on the documents.

The draft, then, is a very useful instrument of credit facilitating commercial transactions with different countries. It works in the following manner: A Chinese merchant sells or consigns a lot of raw silk to a house at Marseilles. He issues on the buyer a draft, payable at sight, or so many days from sight, or so many days from the date of the draft, and he negotiates this at his banker's, say, at Canton or at Hong-Kong. With a view to obtaining more favourable discount terms, he confers on the banker the pledge of the goods and adds to his draft the shipping documents for the parcel of silk (bills of lading made out "to order" and endorsed to the order of the banker, insurance policy "to order" or "to bearer," and the invoice). The banker, having indorsed the draft and the documents, sends them all to his agent at Marseilles, who will have the bill accepted and encashed either himself or through the medium of a third party, the pledge of the goods being transmitted with each indorsement. The documents may be, according to the agreement between the shipper of the goods and the buyer or consignee, delivered against acceptance or against payment, whichever is agreed upon must be shown either in the wording of the draft or on a slip pinned to the documents. In case of doubt, the bearer of a documentary draft would act wisely in not delivering the documents to the drawee, except against payment. When the documents have been stipulated to be delivered against acceptance and that formality has been duly accomplished, the draft becomes from that moment similar to a free bill of exchange. The bearer is deprived of the guarantee of the goods, but he has only lost that guarantee at the moment when he obtained in exchange the signature of the acceptor. The bills "documents against acceptance" are usually those which are issued on banks or on commercial houses of the first rank. If it is stipulated that the documents are to be delivered against payment, the bearer sends them to the drawee in order to allow him to examine them before giving his acceptance, but they are quickly returned, to serve as guarantee until the payment of the draft. The acceptor must pay the draft at the latest on the third day of grace after its maturity, i.e., the day it becomes due; but he will have the option of paying it at any time, in anticipation, in order to obtain possession of the documents and the goods whenever he may require them. The bearer of a letter

of exchange or draft is not *compelled* to receive payment before the due date, but usage has rendered this possible. The acceptor who settles a documentary draft in anticipation has a right to the allowance of the interest calculated at the rate of discount of the Bank of England on the number of days still to run to the due date of the draft. From that usage springs the obligation for the bearer who has accepted the documents against payment to keep or hold them at the disposal of the drawee acceptor. The draft then could not be negotiated unless the banker specified that he would keep it before him until the day on which the drawee desired to settle it. The documents attached to the draft guarantee the payment of it without it being necessary to make an express stipulation in this regard. It is always the custom with banks to have signed by the drawer a formula called a letter of hypothecation, in which the latter declares to mortgage the goods as a pledge to the payment or the acceptance of the draft, and to authorise the realisation of the goods in the shortest possible time in case of non-payment or non-acceptance. A documentary draft must, like every other bill, be accepted on presentation; the drawee would ask in vain for the acceptance to be deferred until the arrival of the goods. If the acceptance is refused, the bearer has the draft protested "for non-acceptance." He is, moreover, obliged to see that the goods on arrival at the port of destination are unloaded, stored in a warehouse, and insured against fire whilst waiting for the due date of the draft. The bearer must give the same attention, after acceptance, to the goods which are the object of a draft accompanied by documents which are to be delivered against payment. When a draft to which the documents remain attached is not paid on the third day of grace allowed after maturity, the bearer has it protested "for non-payment," and has the goods sold, observing the formalities prescribed for the realisation of the pledge. A bill of exchange is very frequently called a draft, but they really differ slightly. A draft is an open letter of request from one firm to another for the payment of a certain amount of money for goods shipped; a bill of exchange is an open letter of request from one man to another for the payment of a sum named therein to the writer or to a third person on the writer's account; by this method a man in a distant part of the world may have money remitted to him from any trading country. For the latter, a *bill of exchange* is the correct expression.

DRAWINGS ACCOUNT.—An account (usually in the case of partnerships) to which all items are debited during a period, so that easy reference is afforded. At the end of a balancing period the account is closed by transferring it to the debit of capital account, thus showing the total withdrawn during the period as one item, and obviating the necessity of encumbering the capital account with a mass of detail. In some cases the items comprised in a drawings account are subject to interest being charged on them, and in such cases the interest is also included in the account previous to its being closed by transfer.

DRAWN BONDS.—This is the name given to bonds which are drawn at one of the periodical drawings for payment on a certain date, and after which time all interest upon them will cease.

DRUGGISTS.—(See CHEMISTS AND DRUGGISTS.)

DRUG IN THE MARKET.—An unsaleable

commodity or a stock of commodities which are on hand. Goods of any description are said to be a drug in the market when the supply is so great that they cannot be disposed of to any buyers.

DRY DOCK.—A dock from which all the water can be withdrawn, so that the repair of vessels can be effected.

DRY GOODS.—The name applied to such goods as drapery as distinguished from groceries.

DRYSALTER.—A dealer in salted or dried meats, pickles, etc.; or in gums, dyes, and drugs.

DUE DATE OF BILL.—(See TIME OF PAYMENT OF BILL.)

DUGONG.—A species of sea-cow, somewhat resembling the whale. It is found in the Indian and Pacific Oceans, and is valuable for the oil obtained from it, which does not turn rancid, and is frequently employed in medicine instead of cod liver oil. Dugong-hunting is one of the industries of Australia.

DUIM.—(See FOREIGN WEIGHTS AND MEASURES—HOLLAND.)

DUNNAGE.—Dunnage is a name applied to miscellaneous faggots, boughs, bamboos, old mats, or sails, and loose wood of any kind, laid in the bottom of the hold to rest the cargo upon. The duty of stowing the cargo in the ship lies on the shipowner and on the master as his representative, unless there is an agreement to the contrary. Moreover, the ship must provide whatever dunnage may be required. Dunnage is necessary to prevent goods being injured by contact with other goods, or with the sides of the ship; and to maintain the spaces required for ventilation and for allowing any drainage, and any leakage of the ship, to pass harmlessly into the bilges.

DUODECIMALS.—Computations which are made by means of twelfths, a method which is found convenient for builders, painters, and engineers in their calculations. The dimensions are taken in feet, inches, parts, etc., decreasing from left to right by twelfths. Inches are spoken of as primes, parts as seconds, and after that there are thirds, fourths, etc. Primes, seconds, thirds, etc., are denoted as follows, whether the measure is lineal, superficial, or solid—

3 primes	by 3'	3 fourths	by 3"
3 seconds	" 3"	3 fifths	" 3'
3 thirds	" 3"	3 sixths	" 3"

and so on, the index being always in Roman figures to distinguish the expressions from 3, 3', 3", etc., which have totally different meanings.

Square feet and cubic feet are divided similarly to lineal, feet, and their divisions are known as superficial primes, seconds, etc., and cubic primes, seconds, etc., respectively.

For the calculations which arise out of duodecimals (by the process of what is known as "cross-multiplication"), some standard work on "Commercial Arithmetic" must be consulted.

DUODECIMO.—This signifies a book which is formed of sheets folded in such a manner as to make twelve pages. The word itself is generally contracted into 12mo.

DUPLICATE.—A copy, transcript, or counterpart of anything.

DUPICATING.—Owing to the increasing necessity of making numerous copies of the same document, it has been found necessary to invent some means by which many copies can be obtained more quickly and less expensively than by the use of

carbons in connection with a typewriter. It is for this reason that various processes (as detailed below) have been adopted by which many copies of a single document may be obtained cheaply and with the utmost rapidity.

Press Copy. The process of press copying letters, invoices, etc., is one of the earliest methods of keeping a record of outgoing correspondence, and, although it has of late years been in a great measure superseded by newer methods, such, for example, as the roller copy and the carbon duplicate, yet the press copy still holds sway in a good many offices, and has its advantages as well as its disadvantages.

The necessary equipment is as follows—

(a) A copying press (wrought iron or steel being preferable to cast iron) fixed on a good substantial stand, the stand being secured to the floor to prevent movement.

(b) A copying book, consisting of thin Japanese tissue pages, numbered consecutively from 1 to 250, from 1 to 500, or from 1 to 1,000, as the case may be, and bearing the word "Letters" or "Invoices" on the back, and having an index at the beginning of the book.

(c) A water bath, containing the cloths for damping purposes.

(d) Oil sheets to protect the pages which are not being used from damp.

(e) Blotters or drying sheets to absorb the moisture from the pages after the letters are copied.

(f) A typewriter fitted with a copying ribbon or pad.

Let us suppose that a record of the day's correspondence has to be dealt with under this system. The letters must be typed and signed with copying ink. The letter book is then opened at the first blank page and an oil sheet placed over the page bearing the copy of the last letter; on this a damp cloth is spread and the next page turned over upon it. The first letter is then placed *face downwards* upon the page, and the process repeated until all the letters are inserted, unless there are a great number, when they may be copied in batches. The book is then closed and placed in the press, and the press either screwed down tightly or the lever brought down, according to the style of the press. After two or three minutes have elapsed, the book is taken out again and the oil sheets, damping cloths, and letters removed, and the pages interleaved with drying sheets.

The letters are then ready to be dispatched, and the press book contains a facsimile of each for future reference.

In cases where several press copies of the same letter are required, the letter must be typed either with extra, strong copying ink and the requisite number of loose sheets of Japanese paper inserted on the damp cloth before turning over the page of the book, or a carbon copy may be typed with a copying carbon, and this may be press copied to give the additional press copies.

In order to facilitate reference to the letters, the book should be indexed daily, but never when the pages are damp. If desired, a cross-reference, consisting of the number of the page on which the previous and (at a later date) the following letter to the same firm have been copied, may be written in pencil across the top left-hand corner of each page, to prevent repeated reference to the index when looking up the correspondence with a given firm.

Composition Duplicators. The use of the Hektograph for the purpose of multiplying circulars, examination papers, menus, price lists, etc., is not so general as it was before the introduction of the stenciling process. No doubt this is due to the fact that not only are the duplicating powers of the latter far greater than those of the former, but also that its copies are infinitely clearer. Where, however, expense is a consideration, and not more than, say, fifty copies are required, the Hektograph will be found very serviceable.

The composition used in this process was originally only gelatine, but the newer makes of apparatus, such as the Plex, the Grapholthic, and the Thelma duplicators, use a preparation of clay.

The directions for use are as follows: Clean the type thoroughly; type the matter with a Hektograph ribbon or pad on a highly glazed hard paper; let the touch be firm and avoid erasures.

If many copies are required, damp the composition in the tray with a wet sponge and remove the superfluous moisture with a fine cloth or with a sheet of newspaper. If only a few copies are required, the composition need not be damped.

Lay the typed original *face downwards* quite smoothly on the composition, leaving one corner turned up to lift it by when taking it off. Pass the palm of the hand or a light roller gently over the back of it, taking care not to apply any perceptible pressure, and allow it to remain on the composition for several minutes. In the meantime, cut four narrow strips of paper and place them on the composition, slightly overlapping the edges of the original; raise the edges and slip these narrow strips beneath them; rule a pencil line on the strips around the edges of the original to mark its exact position, and to serve as a guide in placing the subsequent sheets.

Now take hold of the original (by the turned up corner) and lift it off the composition; lay a blank sheet of paper in its place on the negative thus obtained, overlapping the strips of paper, and pass the palm of the hand or a light roller gently over the back of it. Remove the sheet and repeat the process as *quickly as possible* for the first fifteen or twenty copies, afterwards allowing a little longer contact and giving rather more pressure.

If gelatine is used, immediately the process is completed, wash the negative off the composition with a sponge dipped in warm water, and dry the composition with a newspaper or soft cloth.

Should the surface of the gelatine become uneven from repeated use, remove the composition from the tray and put it into a tin. Place the tin in a saucepan of boiling water and allow it to remain until the contents are melted. The tray must then be placed on a level surface and the composition poured into it. If any bubbles occur, remove them by drawing a piece of stiff card over the composition from end to end. It should then be allowed to stand for four or five hours, in order that it may be quite firm before it is used.

Lithography. Lithography is an important branch of the art of printing, and dates as far back as the year 1795. The process was discovered by a German named Sennefelder, and introduced by him to a man at Frankfort named André, who applied it to the printing of music. It is to his son that we owe its introduction into England in the year 1801, but

it was at least twenty years later before it was extensively used, and its application to typewritten matter was, of course, at a still later date.

The process is unequalled for the reproduction of a large number of typewritten copies, and, unlike so many other duplicating processes, the last copy is equal to the first. It is simplicity itself, so far as the typist is concerned, as the multiplication of copies is the work of the lithographer.

The following points should, however, be observed: That the type be absolutely clean, and a fairly new typewriter will give better results than one with worn type and indented cylinder, as the impression will be sharper. The touch should be *light* and the impression uniform. The matter must be typed on the special transfer paper supplied for the purpose of lithographic work, with a lithographic ribbon or pad, and erasures avoided. As soon as possible after the typing is completed, the transfer should be dispatched to the lithographer with instructions as to the number of copies to be struck off, as unless the transfer is placed on the stone without delay, the impression may fail to adhere to the stone, and, consequently, the copies will be nil.

Manifolding. The process of manifolding with carbons is extensively used when not many copies are required. It is employed for almost every description of work, owing no doubt to the fact that it is, comparatively speaking, inexpensive as well as expeditious, there being no special apparatus required and no after process of "rolling off," as the copies are taken simultaneously with the ordinary copy.

A great deal, however, depends upon the quality of the carbons and the touch of the operator. Inferior carbons have a nasty habit of dirtying the paper with smears and smudges, and, perhaps, nothing reveals the imperfections of the typist's touch so much as the carbon duplicate. The touch should be a trifle firmer than for one copy, as the force imparted by the depression of the keys has to penetrate several sheets, and it must be such as to give a uniform impression, which, as every experienced operator knows, does not mean a uniform depression of each and every key, but a depression which will bring out the more complex letters with the same amount of density as those consisting of either single strokes or sharp needle-like points.

Again, the carbons must be carefully inserted, as if there is the slightest tendency to crease, the duplicate copies will be disfigured by what are commonly known as "trees"; in other words, there will be that which in a drawing would be taken for leafless trees with branches jutting out in all directions.

Carbons are manufactured in two kinds, namely "semi," which are carbonised on one side, and "full," which are carbonised on both sides. They can be obtained in various sizes and in a variety of colours, black and purple being most in demand.

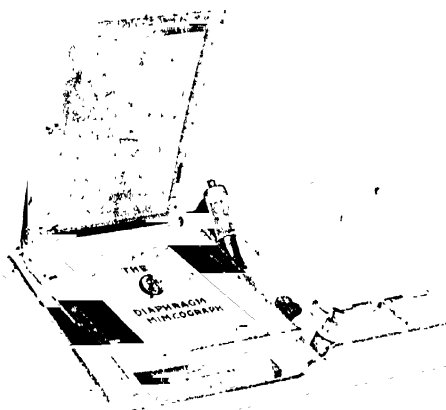
The method employed is as follows: Clean the type; place the sheets of semi carbon *alternately* between the sheets of paper, facing them all one way; insert in the typewriter with the face of the carbons towards the cylinder. Handle as lightly as possible, and avoid mistakes, as they will run through the whole set of copies; and although they can be rectified, still it is a more lengthy process than with a single copy.

¹ The slight overlapping prevents the sharp edges of the sheets of paper from working the composition surface of the Hektograph into ridges.

If a greater number of copies is required than can be obtained by one insertion—and the number will, of course, depend upon the thickness of the paper—either repeat the operation or use full carbons and very thin paper. The full carbons, being carbonised on both sides, give an impression from the back as well as the front, and this additional impression shows through the thin paper and deepens the front impression. The objection, however, to this method is that the back of the copy is disfigured.

In order both to economise carbons and to obtain the best results, the ends should be reversed each time they are inserted, and when they are not in use they should be kept in a box and not exposed to the air.

Flat Stencil Duplicators. There are so many forms of apparatus for flat duplicating, besides the gelatine process previously described, that a book of considerable size would be taken to describe them. The Ellams, the Mimeograph, and the Cyclostyle, are very similar in construction, and



Mimeograph.

they are so similar in working that a knowledge of one would be applicable to all. For illustration we will deal with the Diaphragm Mimeograph. This is fitted, as its name implies, with a diaphragm, that is to say, a specially woven cloth for the purpose of protecting the wax stencil from contact with the roller. This cloth has ink-proof margins of varying widths, so that by an interchange of diaphragms the same frame can be used for foolscap, draft, or brief copies.

Again, the stencil sheets are in "sets," namely, oiled tissue, wax, and backing sheet, and it is only necessary to place the perforating silk immediately behind the wax sheet, when the set will be ready for insertion in the typewriter, thus obviating the necessity of folding, etc.

The method of procedure is as follows: Clean the type thoroughly; throw the ribbon out of gear, if the machine is fitted with a ribbon; insert the set of sheets in the typewriter, so that the face of the stencil, protected by the oiled tissue sheet, faces the type; type with a sharp touch, striking the more intricate letters, fractions, etc., with a firmer touch than the others, and the punctuation marks very lightly indeed. When the cutting is completed, check the matter by the original, preferably before

removing the stencil from the machine, and should an error be discovered, correct by tearing the tissue away from the particular spot, blocking out the mistake with the correcting varnish, and typing the correction.

Withdraw the set from the typewriter; separate the sheets, and fix the stencil in the printing frame by slipping it up along the base underneath the top of the frame and fastening it to the studs at the back.

Place a blotter on the base-board; distribute a small quantity of ink in the enamelled tray by moving the roller in every direction until it is uniformly coated with ink; draw down the frame, and ink up the stencil by passing the roller over the diaphragm *from the top downwards*, until a good copy appears on the blotter. Run off a few trial copies, and as soon as the impression is clear and sharp, insert a sheet of paper on the base-board; pass the roller *once only* lightly over the diaphragm from top to bottom, keeping the handle of the roller well up. Lift the roller, and as the frame automatically opens, remove the sheet, which will be seen to bear a typewritten facsimile of the stencil. All that is then necessary is to repeat the operation until the desired number of copies is obtained, each stencil being equal to a reproduction of from 500 to 1,000, according to the skill of the operator.

Before putting the Mimeograph away, remove the stencil and lay a piece of old newspaper underneath and on top of the diaphragm. Pass the roller firmly over the newspaper to absorb the surplus ink; remove the newspaper and repeat the operation. Pour a little of the cleaning fluid on the diaphragm and scrub it with the brush. Also sponge the perforating silk with the cleaning fluid, dry it between blotters, and keep it pressed flat when not in use to prevent it from becoming wrinkled.

Rotary Duplicator. The rotary method of multiplying copies differs from the flat frame system, in that the copies are rolled off from a stencil stretched around a cylindrical wheel instead of being fixed on a flat printing frame.

No criticisms as to the merits or demerits of the various duplicators will be offered, and those described are mentioned simply because they are well-known makes.

Gestetner Rotary Cyclostyle. The strongest feature of this machine, an illustration of which is given



Gestetner Rotary Cyclostyle.

here, is the ingenious inking arrangement by which a non-fluid ink is automatically distributed.

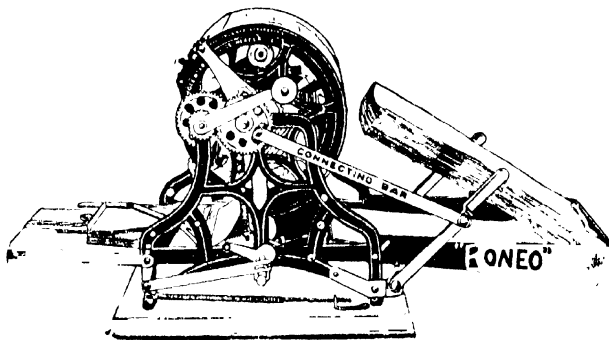
on the machine by a form of printers' distributing rollers. The dripping of ink is impossible, and the distribution is uniform throughout. When more ink is needed on the copies, a line of ink from the tube is squeezed across the top cylinder and the work proceeded with. The use of an oil ink on this machine is one of its main recommendations, for oil inks do not dry on the duplicator, and the Gestetner can be put aside for a considerable time and used again without any trouble with the inking device. The standard model requires three turns for each copy, this being found to impose the least strain upon the stencil, and, consequently, no cracking appears. When speed is the first consideration, "one-turn" models are obtainable.

Roneo Duplicator. The Roneo machine, of which an illustration is given below, may be worked by hand or electrically driven, and the No. 16

the machine one turn backward *very* slowly, then turn the machine forward two or three times; finally, pull the reservoir lever down and make it inoperative by locking it to the main shaft.

Now attach the stencil thus: Lock the cylinder so that the attaching bar is in *front* of the machine. Tear off the ink protector at No. 1 perforation; place one edge of it under the rear clamp; lay the stencil on the feed-board as if it were going to be read; with the right hand lift the bottom of it, and with the left slip the pocket on to the steel plate of the machine and allow the stencil to gradually fall on the ink pad, with its edge extending over the ink protector. Finally, tear off the backing sheet at No. 2 perforation.

To roll off copies, take a pile of paper and place it on the feed-board, pushing the head of the paper firmly up against the two stops. Slide the gauge



Roneo Duplicator.

model has an automatic interleaving blotter, an ingenious little device for dropping a blotter on each copy as it passes from beneath the cylinder. This is especially useful when hard or glazed paper is used, but with an absorbent paper it can be dispensed with, as the ink is immediately absorbed by the paper.

Under the care of a skilled operator the Roneo will produce from 3,000 to 5,000 copies from a single stencil, but much depends both upon the typing of the stencil and upon the after process of fixing and inking it.

To obtain the best results the following method of procedure should be adopted: Clean the type, and if the typewriter is fitted with a ribbon, throw it out of gear. Take a sheet of Roneo "filmos" paper and insert it in the machine, type with a staccato touch, paying special attention to the more complex letters, such as M, m, W, w, g, and the fractions, otherwise they will fail to give a clean cut, but exactly the reverse applies to the punctuation marks, which should be depressed very lightly indeed.

When the typing is completed, remove the sheet from the typewriter, tear off the protecting sheet; check the stencil; and make any corrections necessary by blocking out the error with Obliterine and re-typing the correction.

The Roneo must then be inked. First place the receiver and feed board into position, after which fill the ink reservoir. See that the release lever is thrown back, release the ink reservoir lever and give

along the slot up to the paper, screw it up tightly, and drop the paper weight over the pile. Pull forward the released lever; then all that remains to be done is to turn the handle of the machine, and the paper will be "picked up" automatically by the self-feeding device, and the copies printed at the rate of 100 per minute.

Ellam's Rotary Duplicator. Although apparently similar to the Roneo, Ellam's machine, of which an illustration is given on page 606, differs in several important points. The automatic feed works on the principle of pushing each sheet along to the impression roller. This is done by means of a feeding roller with two rubber gripping bands, which free-wheels or runs over the paper in the backward movement, that is, while the previous copy is being drawn through by the drum and the impression roller.

Stencilling. The stencilling process of multiplying copies, as used in the machines just mentioned, is extensively employed when large numbers of duplicates are being dealt with; and, although, as we have seen, there are a great many different styles of duplicators, still the principle is the same, no matter whether the apparatus takes the form of a rotary or a flat printing frame.

With the rotary machines, the necessary sheets for cutting the stencils have always been supplied in "sets" ready for insertion in the typewriter, but with most of the older styles of flat frame duplicators the typist was called upon to arrange these sheets in their respective order, and great was

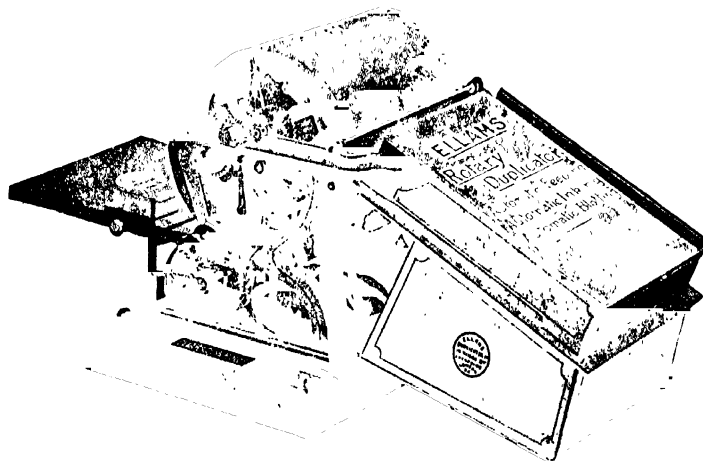
often the perplexity of the beginner as to which should take precedence! Nowadays, however, the tendency is to make everything as convenient as possible, with the view of saving time, consequently the "sets" are taking the place of the separate sheets, and are a great improvement.

These sets, arranged either ready to hand or by the typist, as the case may be, consist of a type-protecting tissue to protect the type from becoming clogged with the wax; a wax sheet for cutting the stencil; a silk sheet to receive the wax, which is expelled from the stencil by the force of the type; and a backing sheet to form a firm backing and prevent the sheets from creasing when the set is inserted in the typewriter.

If the typewriter is equipped with a ribbon, the ribbon is thrown out of gear in order to obtain the

If these points are treated with due respect, and the directions as to printing, which are furnished with each duplicator, carefully followed, then, provided the weather is not tropical, good results are bound to follow; and if the weather should be hot enough to make the wax sheet "soft," then it may be hardened by placing it on a tray over a bath of ice.

Type-setting Duplicators. The extent to which duplicating machines were used demanded that the chief drawback to the stencil process, namely, the limited number of copies obtainable from one wax, should be overcome. There was also a demand that the copies should more nearly approximate to specially typewritten letters or documents. With these objects in view, type-setting machines have been introduced, these enabling an



Ellam's Rotary Duplicator.

full force from the type, and thus to ensure it penetrating the wax and leaving a clean-cut of each character; and it is this very fact of the ribbon being dispensed with that makes the type-protecting tissue necessary on machines which are fitted with a ribbon, but with a pad machine it is unnecessary, as the fact of the type being wet with the ink from the pad prevents the wax from adhering to it, and consequently there is no fear of clogging.

The chief points to be noted in stencilling are—

(a) That the supplies should be obtained from the manufacturer of the duplicator in question, as cheap supplies often prove the dearest, especially where wax sheets are concerned.

(b) That the type should be absolutely clean and in good condition, as type which has become flattened by continued wear will not give a clean cut.

(c) That the cylinder or platen of the typewriter should by preference be a "hard" one, and not full of pinholes or other indentations.

(d) That the sets should be handled with care, as wax cannot be treated roughly with impunity.

(e) That the touch should be "sharp," more especially for complex letters; but, on the other hand, it should be as light as possible where the comma, colon, semicolon, full stop, and kindred signs are concerned.

office to do most of its own printing without installing a printing press. Once the type is set up, an unlimited number of copies can be obtained without deterioration of quality; and the great variety of types obtainable meet all needs.

The Gammeter and the Roneotype are well-known machines of this class, and a few notes on them may be of interest.

The setting up process is slow compared with typing a wax, and at present the process is more expensive; but the extra expense is justified where there is a considerable amount of work to be done.

The complete Gammeter Multigraph equipment is made on the principle of the expanding bookcase, thus enabling a firm to install the basic outfit and add to it as the business grows or the machine replaces the printer. There are a number of special attachments obtainable, these including—

The Automatic Paper Feed, which will feed accurately, in perfect registration, any substance from a thin bank paper to a card.

The Printing Ink Attachment, with which the machine becomes a perfect printing press.

The Signature Device, by which the machine is enabled to produce letters with the signature in any colour at one operation.

The Electric Power Device, which increases the

output, giving speeds of from 2,000 to 6,000 per hour.

The complete machine is illustrated on this page.

The Roncotype was introduced in 1908. The setting up and distribution of type is done on a separate machine, when set up the type cylinder being transferred to the printing machine. The running off is then much on the lines of the Ronco stencil duplicator. An illustration of the Roncotype is given on page 608.

The Patent "Gestepint" Process.

By a process previously considered impossible to apply in connection with duplicators, Mr. D. Gestetner has succeeded in introducing to the users of his machines a method of reproduction vieing with lithography for effectiveness.

Any subject, from letter-headings to the most complicated engineering drawings, including sketches of all kinds, can now be reproduced upon Gestepint Stencils, the printing of copies being carried out in an exactly similar manner to the printing of facsimile typewritten letters, using the same machine and by the same operator.

The only proviso relating to this new departure in duplicating methods is that the design to be reproduced must, for the present, be in line drawing.

The cost of Gesteprints is but a fraction of the cost of line blocks, whilst the finished prints are infinitely softer in appearance than prints from a metal surface.

DURATION OF RISK.—(See MARINE INSURANCE.)

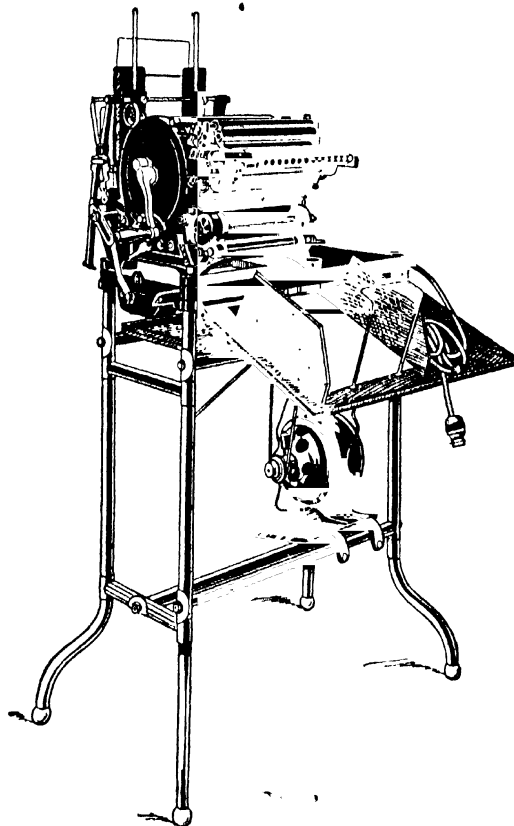
DURRA.—A genus of grasses which are extensively cultivated in Africa, the East Indies, and in the South of Europe. It is also known as durra millet, Indian millet, and sorgho grass. The common durra is a coarse, strong grass, with a round grain, slightly larger than a mustard seed. In Africa it is used as a substitute for flour and for rice. The leaves of one variety, known as Kaffir corn, are used as a cattle food. Another variety is the *Sorghum saccharatum*, or sugar grass. The trade in this article is on the decline.

DUTCH AUCTION.—An auction in which an article is put up at a maximum price, which price is gradually lowered until some person expresses his willingness to close with the offer made.

DUTIES.—These are taxes which are levied upon merchandise and manufactured goods. Those which are imposed upon goods coming into the country are called customs, and those which are imposed upon goods manufactured in the country are called excise. The amount of the taxes levied varies according to the demands of the Government for the time being. (See CUSTOMS, EXCISE.)

DUTY OF DEBTOR.—The duties of a debtor against whom a receiving order has been made may be thus summarised. He must attend court at the hearing of a petition, and undergo his public examination (see PUBLIC EXAMINATION); prepare or assist in preparing the statement of affairs (see

STATEMENT OF AFFAIRS); attend the first meeting of creditors (see MEETING OF CREDITORS); and submit to such examination and give such information as the meeting may require. The debtor must also give an inventory of his property, a list of his creditors and debtors and their debts, attend meetings of creditors; wait on the official receiver, special manager, or trustee, execute powers of



Gammeter Multigraph.

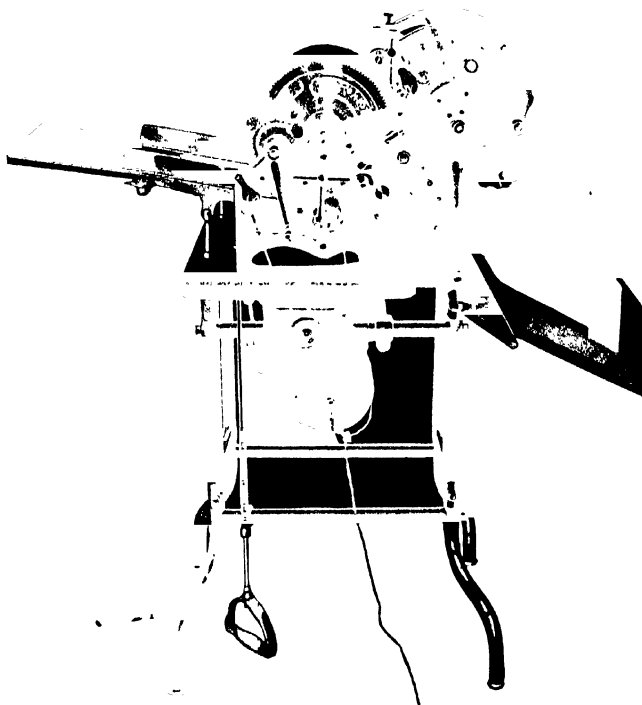
attorney, conveyances, etc.; and do such acts as may be reasonably required by the official receiver, special manager, or trustee, or directed by the court. He must also, on the request of the official receiver, furnish trading and profit and loss accounts for a period not exceeding two years before the date of the receiving order. He must, if adjudged bankrupt, aid to the utmost of his power in the realisation of his property, and the distribution of the proceeds among his creditors. If a debtor wilfully fails to perform his duties, or to deliver up property which is divisible amongst his creditors, and which is in his possession or under his control, to the official receiver, he may be guilty of a contempt of court.

DYE-STUFFS.—These materials are divided into two main classes, viz., substantive dyes, which

form insoluble pigments without the aid of any other substance, and adjective dyes, which require mordants to fix the colour. The chief mordants employed are the various metallic salts, especially those of tin and iron. Dye-stuffs are obtained from animal, vegetable, and mineral sources. Some are natural colouring matters, while others, especially the aniline colours, are artificially prepared. The principal dye-stuffs are dealt with individually.

DYNAMITE.—A powerful explosive, generally prepared by saturating 25 per cent. of an absorbent, usually kieselguhr, with 75 per cent. of nitroglycerine. Kieselguhr is a siliceous earth found chiefly in Germany. When crushed and sifted, it is mixed with three parts of glycerine, kneaded into a paste, and passed through a sieve. The result is a reddish, somewhat greasy solid. Dynamite

may also be prepared by mixing 71 per cent. of potassium nitrate with 18 per cent. of nitroglycerine, 10 per cent. of powdered charcoal, and 1 per cent. of paraffin. The dynamite thus obtained is black in colour and rather drier than that first described. Dynamite is made up in cartridges cased in waterproof paper. Small quantities may be burned without danger, but when exploded with a detonating fuse, it is very violent in its effect. It is not influenced by damp, and is, therefore, widely employed in submarine operations. It is much more powerful than either gunpowder or gun-cotton, and is chiefly used for blasting purposes. Though first obtained in 1846, it had no commercial importance till 1867, when Alfred Nobel's discovery rendered its preparation less dangerous.



Roneotype Duplicator.

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E.—This letter occurs in the following abbreviations—

E.E.,	Errors excepted.
e.g.,	For example (Latin, <i>exempli gratia</i>).
E/I,	Endorsement irregular.
E. & O.E.,	Errors and omissions excepted.
et seq.,	And the following (Latin, <i>et sequentia</i>).
Ex cp., or x/cp,	Ex Coupon.
Ex D., or x/d,	Ex Dividend.
Ex Int.,	Ex Interest.
Exch.,	Exchange.
Exct., Exec.,	} Executor.
Exor,	
Execx.,	
	Executrix.

EAGLE.—(See FOREIGN MONIES — UNITED STATES)

EARMARKED.—When accounts are kept generally, and money is paid over for more than one purpose, there is nothing to indicate that a portion of it was paid over on one account rather than on another. It is to avoid difficulties that may arise from this cause that special instructions are sometimes given by which money is allocated to one particular purpose, and cannot be devoted to anything else. It is then said to be "earmarked." Thus, if a customer pays into the credit of his account at a bank an amount expressly to meet a specified cheque or a bill of exchange, the credit is earmarked, and the banker cannot use the money for any other purpose whatever.

EARNEST—EARNST MONEY.—A sum of money, generally nominal in amount, which is given as evidence of a concluded bargain. By the fourth section of the Sale of Goods Act, 1893, where the value of the goods sold is £10 or upward, the contract must be evidenced by some document in writing, or by part payment, or by something which is given in earnest. (See SALE OF GOODS)

EAR-SHELL.—The shell of a species of gastropods known as *Haliotis*. It is named from its shape, and is valuable as the source of mother-of-pearl, which is so much used for inlaying work. The principal supplies come from the Channel Islands.

EARTHENWARE.—A general name for cheap crockery and ordinary pottery ware. (See POTTERY)

EASEMENTS.—An easement may be defined as "a privilege without profit which the owner of one neighbouring tenement has of another, existing in respect of their several tenements, and by virtue of which the owner of the one (called the servient) tenement is obliged to suffer or not to do something on his own land for the advantage of the owner of the other (called the dominant) tenement." There are many easements known to English law, good examples being rights of way and light which the owner of one tenement has over an adjoining one, or the right of a riparian owner as against a higher riparian owner to a continuance of the accustomed flow of water, as to both quantity and quality. Easements must be carefully distinguished from two classes of rights to which they bear a superficial resemblance: (1) Personal licences, e.g., a permission granted to a particular man to walk along a certain way. This is merely a personal

E

[EAS

privilege to the licensee, whereas an easement belongs to a man as being the owner of a given tenement, that is, it is said to "run with the land." Further, a licence is usually revocable at the pleasure of the person giving it, though a revocation in defiance of a contract may subject him to damages. (2) Profits *à prendre*, i.e., rights to take something off the land of another person, as where a man has a right to cut turf from another's land.

Acquisition of Easements. Easements may be acquired, in the first place, by express grant, which at common law had to be by deed. No particular words of grant are necessary, and nowadays if an owner agrees, even verbally, to grant an easement to an adjoining owner who, on the faith of the agreement, alters his position, he cannot afterwards deny the validity of the easement on the ground that it was not granted by deed. The easement may be for an estate analogous to fee simple, or for any smaller interest. Easements may also, in some cases, arise by implication of law. Thus, if a man grants a house, and himself retains adjacent land over which the windows of the house look, and from which they derive their light, he cannot (unless he expressly reserved the right) build on his own land so as to obstruct them, for a man may not derogate from his own grant. The commonest method of acquisition, however, is what is called "prescription." This method depends on open, peaceful, and uninterrupted enjoyment; for at common law if it could be shown that the easement had been enjoyed uninterruptedly since the time of Richard I, the law presumed that it had been validly granted by a deed of grant since lost or destroyed. Subsequently the courts were willing to presume a grant made and lost in modern times, such a presumption arising from uninterrupted user, as of right, for even so short a period as twenty years. The Prescription Act, 1832, under which a prescriptive title is generally sought to be established, provides that no claim to any way or other easement or to any watercourse, if actually enjoyed for twenty years by the person claiming, shall be defeated by showing that it was first enjoyed at any time prior to such period of twenty years; but such claim may be defeated in any other manner by which it could be defeated at the passing of the Act, and if the easement has been enjoyed for forty years, the right to it is absolute, unless it has been enjoyed by agreement contained in a deed or writing. The easement of light is specially dealt with, the Act providing that if it has been actually enjoyed for twenty years, the right is to be absolute and indefeasible, unless the enjoyment has been by some consent or agreement in a deed or writing. It is to be observed that these provisions only regulate the acquisition of the easement, and do not affect in any way its nature or extent, and accordingly it has been held that a person alleging that his easement of light has been interfered with must, notwithstanding that he can show uninterrupted user under the Prescription Act, show that the obstruction is a nuisance to his premises, the test of nuisance being whether sufficient light is left to the plaintiff's premises for the same

to be used and enjoyed comfortably according to the ordinary requirements of mankind.

Disturbance of Easements. If an easement is interfered with to a substantial extent, a nuisance arises, actionable at the suit of the person owning the easement. Unless there is substantial injury, no actionable nuisance arises, *e.g.*, no nuisance is caused by obstructing a way, if it is still commodious according to ordinary notions, or for obstructing light, if sufficient remains for the dominant tenement to be still comfortably enjoyed for the ordinary purposes of mankind. The remedy for any such nuisance is by abatement or action. Abatement consists in the aggrieved party himself entering the servient tenement and removing the nuisance. Such abatement must, however, be carried out personally, and in such a way as to cause the least possible damage, and must not involve a breach of the peace. Abatement is, therefore, a somewhat risky remedy, an action being safer. In an action, damages may be obtained, and an injunction granted at the discretion of the court. The action may be in the county court if the rent or value of neither tenement exceeds £100, otherwise it must be brought in the High Court.

Transfer and Extinction of Easements. An easement cannot be transferred apart from the dominant tenement to which it appertains; and passes with a conveyance of that tenement without express mention. Extinction takes place (apart from the destruction of either tenement) by release, unity of seisin, or statute. A release may be either express or implied. At common law it required a deed, but at the present time a plea that an alleged release was not granted by deed would not be permitted, if inequitable. Unity of seisin arises whenever one owner becomes seized in fee simple of both tenements. Extinction by statute may occur by direct provision, or by implication, and frequently takes place under such statutes as the Land Clauses Consolidation Act, 1845, or the Railway Clauses Consolidation Act, 1845.

EAST AFRICA PROTECTORATE.—This territory, once included in the geographical expression British East Africa, extends from the Indian Ocean, in the neighbourhood of the equator, to Uganda. Its area is about 200,000 square miles, and the population is estimated at 4,000,000. Starting from a swampy coast, the land rises rapidly towards the Victoria Nyanza, and the climate is quite suitable for Europeans. It is in this territory that the two highest mountains of Africa are to be found, *viz.*, Kenia and Kilimanjaro. Much of the territory is pasture land, and there is considerable stock-raising carried on. Ostrich farming has also been introduced with success, and there is little doubt that the country will develop rapidly. On the coast lands, tropical fruits are grown in abundance, the forests are productive of rubber, fibres, bamboos, etc., and there is believed to be very considerable mineral wealth.

The administration of the Protectorate is carried on under the Colonial Office.

Nairobi is the capital, and the central station of the Nairobi Railway. Its population is about 25,000, of whom less than 1,200 are Europeans.

Mombasa, built partly on an island, is situated on what is undoubtedly the finest harbour on the east coast of Africa. Its population is over 30,000, but only about 300 are Europeans. It is practically the only port of the country, and it is connected

by steamship and telegraphic communication with Europe. From this town starts the Uganda Railway, which runs from Mombasa, through Nairobi, to the Victoria Nyanza, a distance of nearly 600 miles.

The time of transit from England to Mombasa is about twenty-one days.

(For map, see AFRICA, page 48.)

EAST INDIES.—This is a geographical term used to denote all those islands which extend from the south-east extremity of Asia to the north of Australia. The name of this collection of islands is often given as the Malay Archipelago. A glance at the map shows how they are situated entirely within the tropics. The climate generally is hot and moist, whilst the products are of a tropical character. The inhabitants are mainly of the Malay race, though there has been a great admixture of other races owing to immigration. Each of the principal islands is noted under a separate heading, or dealt with under the country to which it belongs.

EAU DE COLOGNE.—The well-known perfume which, if genuine, is still obtained from Cologne, where it was first made, in 1709, by an Italian named Johann Maria Farina. It is prepared from various essential oils obtained from trees of the orange tribe, together with certain alcoholic vegetable extracts and an addition of rectified spirits. So-called "Eau de Cologne" is now manufactured in Jersey and in various parts of Great Britain.

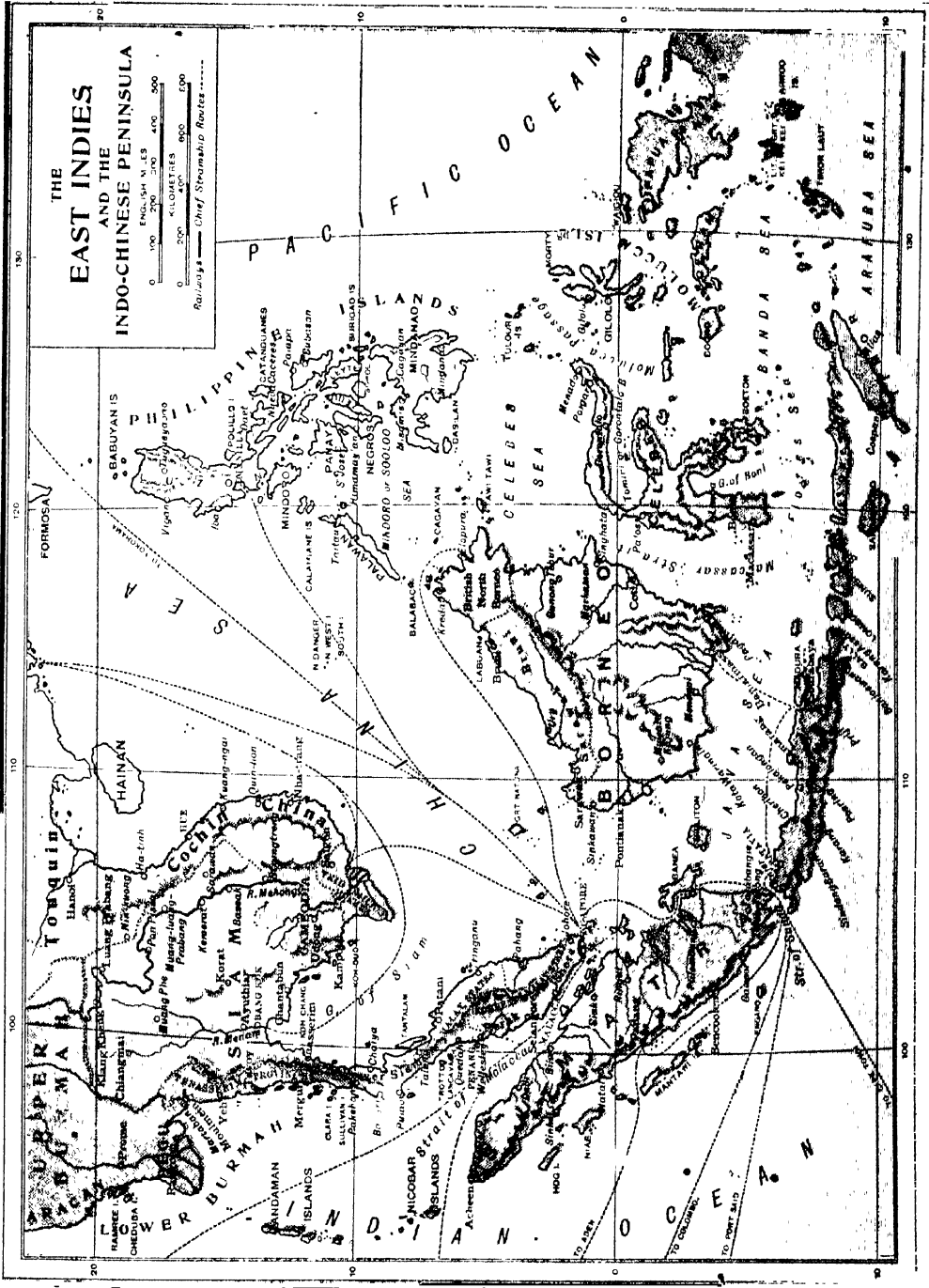
EBONITE.—A hard, black, horny substance, also known as vulcanite. It is a mixture of caoutchouc and sulphur, which is exposed to a high temperature, and is then pressed and polished. It is used for a variety of purposes, toys, combs, and stethoscopes being among the articles manufactured from it. (See CAOUTCHOUC.)

EBONY.—The heart wood of various trees of the order *Ebenaceæ*. It is noted for its hardness and heaviness, and is generally black in colour, though red and green ebony are found in Madagascar and Tobago respectively. The best black ebony comes from Mauritius, and is greatly valued by cabinet makers and pianoforte manufacturers. Small articles, such as door knobs, piano keys, and knife handles, are also made from it. Ceylon exports considerable quantities of black ebony.

ECUADOR.—The republic of Ecuador, so named because it lies under the equator, was constituted in 1830, when it separated from the original republic of Colombia. It is the most westerly State of South America, and is bounded on the north by Colombia, on the east by Brazil, on the south by Peru, and on the west by the Pacific Ocean. The total area is about 120,000 square miles, so that Ecuador is nearly the same size as the United Kingdom of Great Britain and Ireland. But its exact boundaries are not well fixed, disputes still existing between it and its northern and southern neighbours. The population is estimated at 1,500,000, and of these nearly two-thirds are of pure Indian descent.

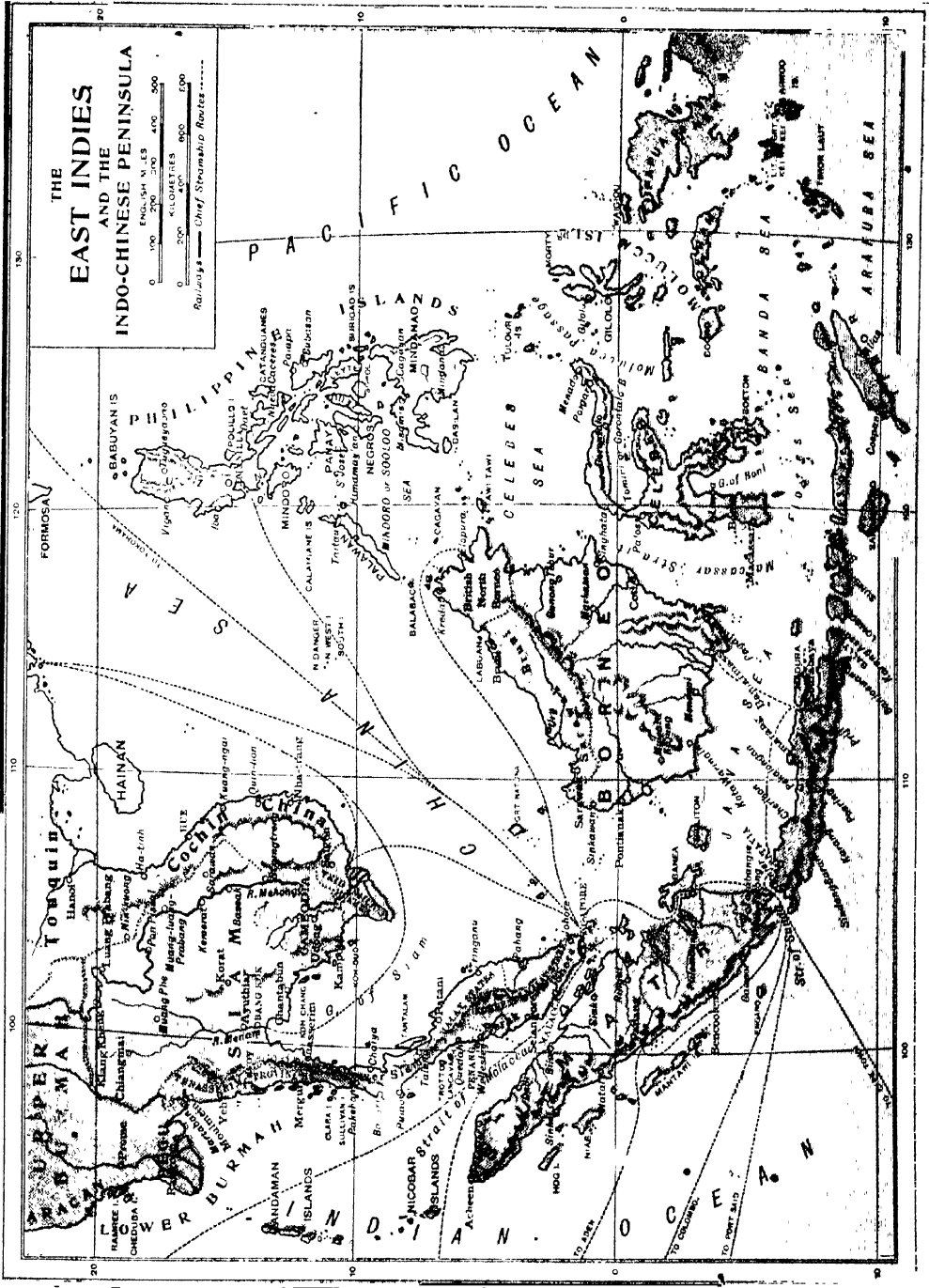
Relief. The country is very elevated, and within its borders are the lofty Andean peaks of Chimborazo (21,500 ft.), Cotopaxi (19,600 ft.), Antisana (19,300 ft.), and Cuyabeno (19,200 ft.), besides many others. The eastern slopes of the Andes send down various tributaries to the Amazon, but the short distance of the great range from the western coast renders the streams which flow into the Pacific Ocean of very little importance.

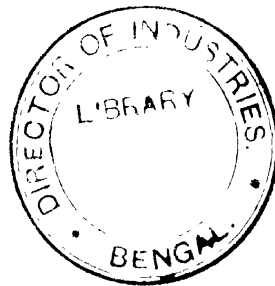
Productions. Agriculture is the chief industry of the country, though it is not nearly so advanced as



THE
EAST INDIES
AND THE
INDO-CHINESE PENINSULA

0 100 200 300 400 500
ENGLISH MILES
0 100 200 300 400 500
KILOMETERS
Railways Chief Steamship Routes





it should be considering the natural advantages. The cultivation of cocoa, however, is an exception; in fact, Ecuador is said to be the largest cocoa-producing country of the world. Most of this cocoa is purchased by France, especially for her chocolate industry. The rubber industry is increasing in importance. There are valuable mines, but these are practically unworked. Extensive forests provide valuable timber, which is useful for shipbuilding and also for cabinet-making. Cinchona bark is likewise exported. The only manufacture of any account is that of "Panama hats," of which it may be said to possess a monopoly. The imports consist of manufactured goods.

The means of communication are extremely poor. The roads, where they exist, are very bad, and merchandise is transported mainly by pack animals. Two railways only are in existence, each of them connecting Quito with the Pacific coast, one, that between Quito and Guayaquil, having been opened as recently as 1908.

Towns. *Quito*, the capital, with a population of nearly 60,000, has a delightful climate, although situated almost under the Equator, being at an elevation of over 9,500 ft. above the level of the sea.

Guayaquil, on the Pacific coast, is the principal port, and that through which nearly the whole of the foreign trade is carried on. Its population is about the same as that of *Quito*.

The only other towns worthy of mention are *Cuenca*, *Atacama*, and *Jipijapa* the last-named being the place of manufacture of the celebrated Panama hats.

Ecuador possesses the group of islands known as the *Galapagos*. They are famous for turtle, and lie about 700 miles to the west of Guayaquil.

Guayaquil is 6,500 miles distant from London. The time of transit is about twenty-four days.

For map, see **COLOMBIA**.

EDUCATION.—Until the passing of the Education Act of 1918, the most important legislative provisions concerning education were contained in the Education Acts, 1870-1916. By the new Act most of the older enactments have been repealed, and re-enacted with amendments—but it is to be borne in mind that the statute of 1918 is not yet, *i.e.*, in 1920, in force. At present, therefore, the question of education must be considered from its standpoint as established by former legislation. The subject is a large and complex one, and certain aspects of it are still the subject of political controversy. In this article it is only possible to summarise the law governing it in its most important aspects, and at the end there will be a short statement as to the most important changes contemplated by the Act of 1918.

Duties of Parents and Persons *in loco parentis*, and Powers of Teachers. At common law a parent was under no obligation to educate his child, nor did equity enforce such an obligation; but a parent of a child between the ages of five and thirteen years must now cause him to receive efficient elementary instruction in reading, writing, and arithmetic; and may be required by the by-laws of the local education authority to cause the child to attend school, unless there is some reasonable excuse, *e.g.*, that the child is under efficient instruction in some other manner, that absence from school is due to sickness or unavoidable cause, or that there is no public elementary school which the child can attend within two miles by the nearest road from his residence. On default, the

court may make an attendance order, and if it is not complied with, the parent is subject to penalties. By-laws, however, must contain a provision for total or partial exemption of any child between twelve and fourteen, if one of His Majesty's inspectors certifies that he has reached a standard of education specified in the by-laws. Such partial exemption can be obtained for a child of that age on previous regular attendance, and the by-laws may contain special provisions as to children to be employed in agriculture. Poor law authorities are also placed under obligations as to the education of children in their care, and in order to insure that children shall not be taken from school to work below the statutory age, no employer may take into his employment any child so as to prevent his attendance at school according to the by-laws, or any child of ten or upwards who has not attained a certificate of total or partial exemption from obligation to attend school, or any child of ten or upwards to whom the local by-laws do not apply, unless he has obtained a certificate of proficiency in reading, writing, and arithmetic, or (in the case of a child employed in a factory or workshop) is attending school on the "half-time" system in accordance with the elaborate provisions of the Factory and Workshops Act, 1901. A child, when sent to school, comes under the control of the schoolmaster, who stands *in loco parentis*, and has power to control him, and to inflict moderate and reasonable chastisement. If, however, punishment is to gratify passion or rage, or is excessive in nature or degree, it becomes unlawful.

Except in those cases where the education is free, and, therefore, nothing is paid (as to which, see *infra*), the general relations between the parent and schoolmaster as to fees, extent of education, length of notice of withdrawal, are governed by the terms, expressed or implied, of the contract for the education of the child. In most cases the contract provides that a term's notice must be given or a term's fees paid in the event of the removal of a pupil. If there is no such stipulation as to payment of fees in default of notice, the schoolmaster can only recover lost profits if the child is removed without notice.

General Machinery of State Education. Since 1899, the central educational authority has been the Board of Education, which has taken the place of the Education Department, including the department of Science and Art. The Board consists of a President and of the Lord President of the Council, the principal Secretaries of State, the first Commissioner of the Treasury, and the Chancellor of the Exchequer. It is assisted by a consultative committee, consisting as to not less than two-thirds of persons qualified to represent the views of universities and other bodies interested in education; and it supervises, with the approval of the Board of Education, the register of teachers.

The immediate management of all matters which are connected with education is in the hands of local authorities, the county council of every county and the council of every county borough being the local education authority for higher education and elementary education within their jurisdiction. However, in non-county boroughs with a population of over 10,000, and in urban districts with a population of over 20,000, the council of the borough or of the urban district, and not the county council, is the local authority. Every local education authority has an education committee or

committees, established in accordance with a scheme approved by the Board of Education. Such committee considers all questions relating to education, except the raising of a rate and the borrowing of money; and the council considers the report of this committee before taking action in educational questions. In some cases, the committee is even more important, for all or any of the powers of the council, except the raising of a rate or the borrowing of money, may be delegated to it. The composition of the committee varies in different localities, according to the scheme under which it was established; but it must, as to at least a majority of its members, be appointed by the council, and must include at least one woman. The council and its committee, as already stated, are the authority for all public elementary schools within its district. Such schools, however, are divisible into two classes—those which are provided by the local authority (the majority of them being schools formerly known as "Board schools") and those not so provided, which are termed non-provided or "voluntary" schools.

As to the first class, the local education authority have vested in them all the schools formerly Board schools, and are under a duty to provide from time to time such additional accommodation as in the opinion of the Board of Education is necessary to supply a sufficient amount of public school accommodation for their district.

In order to prevent the provision of unnecessary schools, it is provided that the authority must give public notice of their intention to provide a new school, and that the managers of any existing school or any ten ratepayers in the area for which it is proposed to provide the school may, within three months of the notice, appeal to the Board of Education on the ground that the proposed school is not required or that a school already in existence (whether provided or non-provided) is better suited to meet the wants of the district than the proposed new school, and any school built in contravention of the decision of the Board of Education is to be treated as unnecessary. The local authority are under an obligation to maintain and keep efficient all necessary provided schools within their area, and have complete control of them. Such control may be exercised through a body of managers, and must be so exercised if the county council are the local education authority. In that case, the body of managers is to consist of a number of managers not exceeding four appointed by the council, together with a number not exceeding two appointed by the minor local authority (i.e., the local borough or urban district council or parish council, or parish meeting). As to non-provided elementary schools, the local authority occupy a somewhat different position. They are under an obligation to maintain and keep efficient all such within their area as are necessary, so long as certain conditions and provisions are complied with, and are for this purpose to have control of all necessary expenditure, unless provision is to be made for it by the managers, and also to control secular instruction in such schools. Such conditions and provisions as above-mentioned are that the local authority shall control such instruction, and the employment and dismissal of teachers on educational grounds, that the local authority shall have power to inspect the school, that the managers shall provide the school-house free of charge and keep it in good repair (except as to fair wear and tear due to the use of any room

for a public elementary school), and allow the local authority to use any room (out of school hours) free of charge for educational purposes, this obligation not extending to more than three days in the week. The managers, above alluded to, of non-provided schools are composed of a number not exceeding four appointed under the school trust deed, together with a number not exceeding two appointed by the local education authority. Where such authority is a county council, only one manager is appointed by it, the other publicly appointed, one being appointed by the minor educational authority. If a local authority fail to fulfil any of their duties under the Education Acts, 1870-1902, the Act of 1902 provides that they may be compelled by *mandamus* (*qv*), while the Education (Local Authority Default) Act, 1904, provides that in the case of such default as respects any elementary school, the Board of Education may make orders to regularise any situation to which such default may give rise, and repay to the managers any expenses properly incurred by them in making good the default of the authority. Any sum so paid by the Board may be deducted from any parliamentary grants due to the authority.

Fees in Elementary Schools. The subject of fees is governed by the Act of 1891 and 1902. The obligation on a local authority to provide educational accommodation includes an obligation to provide a sufficient amount of accommodation without payment of fees, and as to provided (or "Board") schools, fees have ceased to be charged since the Elementary Education Act, 1891. This Act established a "fee grant" from the Treasury on a capitation basis, which could only be earned by either refraining entirely from charging fees; or, if fees were then charged in excess of the amount of grant, restricting the amount of them to the difference between the amount then yielded in fees and the amount of the grant. The Board of Education has power in certain cases to allow the imposition of fees, but only if sufficient free accommodation is provided and the fees for the excess are required by the educational needs of the locality; and fees in any case must not exceed 6d. a week. As to non-provided schools, the same rules apply; and the local authority have power to determine whether fees shall or shall not be charged therein.

So long as fees continue to be charged, the authority must pay an agreed proportion of them to the managers.

Religion. Religious belief, instruction, and practice are dealt with in detail by the Acts. In the first place, the "Conscience Clause" affects both provided and non-provided schools, for it may not be required as a condition of any child being admitted into or continuing in any public elementary school that he shall attend or abstain from attending any Sunday school or place of worship, or that he shall attend any religious observance or instruction in religious subjects in school or elsewhere from which he may be withdrawn by his parents, or that he shall, if so withdrawn, attend the school on any day exclusively set apart for religious observance by the religious body to which his parent belongs. Religious instruction and observances are to be given or practised at the beginning or end of school, and the time thereof to be inserted in a time-table prominently and conspicuously affixed in every schoolroom.

As to the character of religious instruction, the local authority are under no obligation to provide

any religious instruction at all in a provided school; but if they do, they are restricted by the negative provision—usually called “the Cowper-Temple Clause”—that no religious catechism or religious formulary which is distinctive of any particular denomination shall be taught in the school. In a non-provided school, religious instruction is to be in accordance with the provisions (if any) of the trust deed relating thereto, and is to be under the control of the managers, subject to any provision in the trust deed for reference to the bishop or superior ecclesiastical or other denominational authority, so far as such provision gives to the bishop or authority the power of deciding whether or not the character of such instruction is or is not in accordance with the provisions of the trust deed. It has been decided that the local authority must pay for religious teaching lawfully given in a non-provided school; for it cannot otherwise be said to “maintain and keep efficient” such school as it is required to do. Nor should it discriminate in the rate of the salary between teachers of similar position in provided and non-provided schools, for such discrimination would be cogent evidence of an intention to starve the less favoured schools.

Higher Education. The Act of 1902 requires the local education authority to consider the needs of their area and take such steps as seem to them desirable, after consultation with the Board of Education, to supply or aid the supply of education other than elementary, and to promote the co-ordination of all forms of education. For this purpose they are to apply so much as they deem necessary of the residue under the Local Taxation (Customs and Excise) Act, 1890 (commonly called “the whiskey money”), and to spend any further sums not exceeding the amount produced by a 2d. rate, or such higher rate as may be fixed by the county council, with the consent of the Local Government Board. Regard is to be had in exercising these powers to any existing supply of efficient schools or colleges, and to any steps already taken under the Technical Instruction Acts, 1889-1891. In addition to the powers conferred by the Act on local authorities, the council of any non-county borough or urban district have an overlapping power to spend an amount not exceeding a penny rate on secondary education. In the application of money to secondary education, a council are not to require that any particular form of religious instruction worship or religious catechism or formulary, which is distinctive of any particular denomination, shall or shall not be taught, used, or practised in any school, college, or hostel aided but not provided by the council, and no pupil shall, on the ground of religious belief, be excluded from or placed in an unfair position in any school, college, or hostel provided by the council; and no catechism or formulary distinctive of any particular religious denomination shall be taught in any school, college, or hostel so provided, except where the council, at the request of parents of scholars at such times and under such conditions as the council think desirable, allow any religious instruction to be given in the school, college, or hostel otherwise than at the cost of the council. The Act also contains as a “Conscience Clause,” somewhat similar to that governing elementary education, namely, that scholars are not to be required to attend or refrain from attending any religious service or instruction, and that the time for religious worship and instruction shall be

conveniently arranged for the purpose of allowing the withdrawal of any scholar therefrom.

Universities and Public Schools. These are created by charter or Act of Parliament, and instruct students, examine them, and confer degrees. They are at present, in England and Wales, eleven in number, namely, Oxford, Cambridge, Durham, London, Victoria (Manchester), University of Wales, Birmingham, Liverpool, Leeds, Sheffield, and Bristol. In Scotland there are the four universities of Edinburgh, Glasgow, St. Andrew's and Aberdeen. In Ireland there are three universities, namely, Dublin, the National University, and Queen's University of Belfast. No university can require any person taking a degree (other than in divinity), or holding any lay office, to make any declaration or be subjected to any disability in respect of his religious belief, or to attend public worship of any church or sect to which he does not belong, nor can any student be compelled to attend any lecture to which he objects on religious grounds.

Public Schools are a somewhat vaguely defined class of institution, but the term is generally applied to certain ancient schools and to other modern ones modelled on them, which have a material importance as instruments of secondary education, Eton being an example of the first class, Marlborough of the second. The seven old public schools—Eton, Winchester, Westminster, Charterhouse, Harrow, Rugby, and Shrewsbury—are governed by the Public School Acts, and many special provisions of law, e.g., as to religion, apply to them only.

Reformatory and Industrial Schools. These are governed by the Children Act, 1908. Reformatory schools receive youthful offenders from twelve to sixteen years of age who have been convicted of offences punishable in the case of an adult with penal servitude or imprisonment. Industrial schools receive children apparently under fourteen who are found begging, wandering, or destitute, under care of criminal or drunken parents, or being in immoral surroundings; and also children under twelve convicted of certain offences. These institutions may be provided voluntarily or by local authorities, are supervised by the Home Office, and provide not only for the instruction, but also for the lodging, clothing, and feeding of those sent to them.

Feeding and Medical Treatment of School Children. The Education (Provision of Meals) Act, 1906, gives local education authorities power to provide meals for children attending public elementary schools, and to defray the cost thereof in certain cases. The cost of the meal is to be charged to the parent, and if payment is not made, the authority, unless they are satisfied that the parent is unable, by reason of circumstances other than his own default, to pay the amount, are to require payment of it, and may recover it summarily as a civil debt. A parent is not to suffer disfranchisement or any disability through the provision of a meal or his failure to pay therefor. The authority have similar powers as to medical inspection and treatment by Acts passed in 1907 and 1909.

Educational Charities. The Endowed Schools Acts, 1869-1889, confer on the Board of Education power to make schemes for the reform of educational charities within the scope of those Acts. To be subject to these powers, a charity must be an “educational endowment” as defined by the Act of 1869, and numerous classes of schools (e.g., schools maintained entirely by voluntary contributions and cathedral choir schools) are

entirely exempt therefrom. Any such scheme is prepared by the Board of Education in draft and settled by them after hearing any objections or suggestions. An appeal lies to the King in Council. Such a scheme must contain certain conditions and regulations. Among these are, that if the scheme abolishes or modifies the privileges of particular classes, due regard is to be had to the educational interests of these classes, that certain vested interests of individuals must be saved or compensated, that all teachers and officers are to be in the employ of the governing body (subject to certain conditions of dismissal), and detailed clauses for safeguarding the religious convictions of individuals similar to those previously mentioned with respect to elementary education.

The Education Act, 1918. The Royal assent was given to this latest statute connected with education on the 8th August, 1918, but it is specially provided that none of its provisions shall come into operation until after the war, and that some of them shall only be imposed gradually, as the changes contemplated by certain parts of the Act could not be enforced suddenly without causing considerable dislocation. The principal changes in the law which will be effected when the Act is in full force are the following—

(1) The former exemptions as to the attendance at school of children under fourteen will be abolished. Attendance of all children between the ages of five and fourteen will be compulsory, and the local authority is empowered to extend the superior limit to fifteen by by-law if it thinks fit.

(2) There is to be established a new system of education by means of continuation schools (*q.v.*). The attendance at these schools, which will not be held only in the evening as at present, but in the day, will be compulsory. Reference should be made to the article dealing with this subject for full particulars as to the same.

(3) The hours of employment of children in any trade or business are greatly restricted. No child under the age of twelve is to be employed at all. Moreover, as to children between the ages of twelve and fourteen, no one of them is to be employed for more than two hours on any Sunday, or on any school day before the close of school hours, or on any day between the hours of 6 a.m. and 8 p.m. There is a certain latitude accorded to the local authority, who may by by-law allow a child within the limits of the ages just named to be employed for a period not exceeding one hour before school, and, if so employed, for not more than one hour in the afternoon.

(4) Fees in public elementary schools are to be entirely abolished.

(5) Elaborate provisions are made under which the local education authority is enabled to establish and maintain holiday or school camps, centres for physical training, baths, facilities for social and physical training, nursery schools for children between the ages of two and five, and special schools for defective children. Provision is also made in the Act for medical inspection and treatment of pupils in secondary and continuation schools.

It is only possible to learn the changes contemplated in the law under an Act like the Education Act, 1918, by a close study of the statute itself. The changes contemplated may also demand considerable alterations in administration. The Act has provided for these to a certain extent; but it is clear that the

Education Act, 1918, is far from a final measure, even for the present, and it would be idle to speculate upon the possible amendments or alterations which will have to be made in the next few years.

EDUCATION AUTHORITIES' MEETINGS.—Education Committees. An education committee, which consists partly of members of the council which established the committee and partly of various other persons, may appoint its own chairman. Every scheme under the Education Act, 1902, must provide *inter alia* for the inclusion among the members of the education committee of persons of local educational experience and of women. The council by whom an education committee is established may make regulations as to the quorum, proceedings, and place of meeting of that committee; but subject to any such regulations, the committee itself may determine these matters. The proceedings shall not be invalidated by any vacancy among the members, or by any defect in the election, appointment or qualification of any member of the committee. Minutes of the proceedings of an education committee shall be kept in a book provided for that purpose, and a minute of those proceedings, signed at the same or next ensuing meeting by a person describing himself as or appearing to be chairman of the meeting of the committee at which the minute is signed shall be received in evidence without further proof. Until the contrary is proved, an education committee shall be deemed to have been duly constituted and to have power to deal with any matters referred to in its minutes. The chairman of the education committee at any meeting of the committee shall, in case of an equal division of votes, have a second or casting vote. An education committee may, subject to any directions of the council, appoint such and so many sub-committees, consisting either wholly or partly of members of the committee, as the committee thinks fit.

The procedure may be regulated by the council which has established the committee, either special standing orders being drawn up for the purpose, or the council's own standing orders adopted so far as appropriate. By way of illustration, some provisions have been extracted, as follows, from the standing orders made in connection with their education scheme by the council of a very large county borough in the South of England: The town clerk shall convene the first meeting of the committee within fourteen days after their appointment, by notice posted to each member at least three clear days before such meeting. Three clear days at least before any meeting of the committee a summons to attend same, specifying the business to be transacted, and having at the foot the name of the clerk to the committee, shall be posted or delivered to every member of the committee at his usual place of abode or business, and no business other than that named in the summons shall be transacted at any meeting of the committee. At their first meeting and annually afterwards the committee shall appoint a chairman and a vice-chairman. The chairman must always be a member of the council. Every question at committee and sub-committee meetings shall be decided by a majority of votes of the members present and voting on that question, the chairman having, if the voting is equal, a second or casting vote. The quorum of the committee shall be nine. (*Note:* The committee in this case consists of thirty-one members.) The public shall be admitted to the meetings of the committee, and allowed to

remain during the pleasure of the committee. The standing orders of the council regulating council meetings shall govern the conduct of business at all public meetings of the committee. The committee shall appoint a finance sub-committee and such other sub-committees as it may think requisite. The chairman of the finance sub-committee shall always be a member of the council. Persons not members of the committee may be appointed on any sub-committee except the finance committee, provided always that not less than two-thirds of the total number are members of the committee. The chairman and vice-chairman of the committee shall be *ex-officio* members of all sub-committees. The quorum of sub-committees shall be at least one-third of their number. Every sub-committee shall at its first meeting first elect a chairman who shall be a member of the education committee, and in his absence from any meeting a chairman *pro tempore* may be appointed. All resolutions, minutes, and reports of the various sub-committees shall be entered in books kept for that purpose, and be signed by the respective chairmen in the presence of the quorum, such books to be open for the inspection of any member of the committee at the clerk's office during business hours. The committee shall, subject to the approval of the council, appoint a clerk to the committee, and he shall hold office during the pleasure of the council.

Managers. A body of managers may choose their chairman, except in cases where there is an *ex-officio* chairman, as, for instance, by the terms of a trust-deed. They shall hold a meeting once at least every three months. Any two managers may convene a meeting. A body of managers may regulate their quorum as they think fit, subject, in the case of the managers of a school provided by the local education authority, to any directions of that authority, provided that the quorum shall not be less than three, or one-third of the whole number of managers, whichever is the greater. Every question at a meeting of a body of managers shall be determined by a majority of the votes of the managers present and voting on the question; and in case of an equal division of votes, the chairman of the meeting shall have a second or casting vote. The proceedings shall not be invalidated by any vacancy in the body of managers, or by any defect in the election, appointment or qualification of any manager. The body of managers of a school provided by the local education authority shall deal with such matters relating to the management of the school, and subject to such conditions and restrictions as the local education authority determine. A manager of a school not provided by the local education authority, appointed by that authority or by the minor local authority, shall be removable by the authority by whom he is appointed, and any such manager may resign his office. The minutes of the proceedings of any body of managers shall be kept in a book specially provided; and such minutes shall be received in evidence without further proof when signed at the same or the next ensuing meeting by the apparent chairman. These minutes shall be open to inspection by the local education authority. Until the contrary is proved, a body of managers shall be deemed to be duly constituted and to have power to deal with the matters referred to in their minutes. Managers may regulate their own proceedings, subject, in the case of the managers of a school provided by the

local education authority, to any directions of that authority.

EELS.—A fish of serpent-like form, belonging to the family *Muraenidae*, and widely distributed in all fresh waters and seas, except those of the frigid zone. Large quantities are brought to England from Holland and Denmark.

EFFECTS NOT CLEARED.—Unless there is some arrangement to the contrary, such as an overdraft (*q.v.*), a customer is not entitled to draw a cheque upon his own banker for any sum in excess of that which stands to his credit, although a banker will very frequently honour cheques if the excess is inconsiderable, or if he has confidence in the financial stability of his customer. Sometimes a customer pays in a cheque drawn upon another bank, and the cheque is credited at once to the customer in the bank's books. The position is then rather doubtful as to what should be done in case a cheque is drawn by the customer before the cheque paid in has been cleared. In the case of the *Capital and Counties Bank v. Gordon*, 1903, App. Cas. 240, it was stated: "It must never be forgotten that the moment a bank places money to its customer's credit, the customer is entitled to draw upon it, unless something occurs to deprive him of that right." It is for this reason that a banker generally draws his customer's attention to the fact that he will not honour cheques drawn against uncleared amounts, and if he does so the banker is entitled to mark any cheque so drawn and presented "effects not cleared." No doubt a banker would protect himself completely by printing a notice in all his pass books or on all paying-in slips to the effect that customers are not to be at liberty to draw against uncleared cheques. Some banks have a notice of the following character: "Cheques, etc., for collection, though credited to the account when paid in, are not available for drawing against until the proceeds have been received at the branch." No customer ought, without some special arrangement, to draw a cheque under such circumstances. As to the time required for clearing a cheque, see **BANKING ACCOUNT**.

EGGS.—The article of food is mainly the product of the fowl, though ducks' eggs and others are also eaten. Most countries supply their own requirements, but Great Britain does an increasing import trade with various parts of Europe, especially Denmark, and with some of her own Colonies. Egg albumen is employed in photographic processes, in calico printing, and in sugar refining.

EGYPT.—**Position, Area, and Population.** Egypt, once a part of the Ottoman Empire, has a separate government of its own under a Khedive, but it has been in reality a British Protectorate since the 18th December, 1914. The Khedive rules with the advice, and in financial matters with the consent, of Britain; thus Britain practically controls Egypt. The country stretches from the mouths of the Nile to Wady Halfa (latitude 22° N.). In the east it includes the peninsula of Sinai, and is bounded by the Red Sea. Westwards the boundary is an indefinite line passing through the Libyan Desert. The total area is about 360,000 square miles, but the habitable area, consisting of the Nile delta, and its long, narrow valley varying from 5 to 30 miles in width, is only about 13,000 square miles. Its population numbers about 12,600,000, consisting of Fellahin, Kopts, Bejas, and a few Europeans.

Coast Line. The Mediterranean coast is low and

* sandy, and lagoons, salt marshes, and irrigation canals hinder communication with the interior. Alexandria, Rosetta, Damietta, and Port Said are the ports. Bars at the mouths of the Nile obstruct navigation. Along the shores of the Red Sea there is no harbour, and only Suez, commanding the Red Sea outlet of the Suez Canal, is of any importance.

Build. Three regions may be distinguished: (1) Upper Egypt, the narrow alluvium-covered valley of the Nile, from Cairo to the southern boundary; (2) Lower Egypt, the delta of the Nile, from Cairo to the Mediterranean, and (3) the Desert Plateaux on both sides of the Nile. The value of the Nile to Egypt cannot be over-estimated; it is often said that Egypt is the gift of the Nile, but it is equally true to assert that Egypt is the Nile. Without the Nile, Egypt would be a desert. From Abyssinia it brings down the fertilising mud, which covers the valley and delta to a great depth, and to which each successive flood adds its quota; in addition to this fertile soil, the Nile provides a means of irrigation, and as Egypt is practically rainless, agriculture is entirely dependent on irrigation—thus the Nile is Egypt. The White Nile issues from the great Victoria Nyanza, and after losing itself for a time in vast marshes, reaches the Albert Nyanza. Leaving this lake, it descends the lower, northern tableland by a series of rapids, and is joined by the Bahr el-Ghazal and other affluents. It next flows over a plain overgrown with reeds and papyrus, which are often torn up by winds and deposited in the river, thus forming a thick tangle known as the sudd, and making navigation impossible or difficult. Reaching Khartoum, the clear waters of the White Nile are joined by those of the muddy Blue Nile, which rises to the south-west of Lake Tsana in Abyssinia. The Atbara, which joins the united Nile, above Berber, is the only tributary between Berber and the Mediterranean—a distance of 1,200 miles. To the Atbara and the Blue Nile is due the annual rise of the river, commencing in June and reaching its maximum in September. The summer monsoon rains of the lofty Abyssinian heights cause these rivers greatly to swell the volume of the main stream. The height of the rise varies from year to year. It is, naturally, watched eagerly, for life and happiness depend upon it, though not so much now as formerly. At Cairo, the normal rise is 25 ft., and this means agricultural success; a rise of 24 ft. means scarcity; a rise of 20 ft. means famine; and a rise of 27 ft. means danger to the embankments. Day and night the embankments are watched by the able-bodied male population, who, if necessary, fortify or heighten the embankments under the direction of engineers. The united Nile's course between Khartoum and Assuan is broken by six cataracts, or series of boulder-strewn rapids. Below the cataracts the stream follows a winding course through the ravine, which it has worn in the desert. At Cairo it branches out into a fan-like delta, and falls into the Mediterranean by two principal mouths (the Rosetta and Damietta) after a course of 3,300 miles. Besides its uses in irrigation, and its flooding of the plain, the Nile is of importance as a waterway, being navigable without impediment as far as the rapids at Assuan.

Climate. The climate is typically that of the desert. Daily and seasonal ranges of temperature are most marked, and the heat of the summer days is intense. The annual rainfall is exceedingly small; at Alexandria it is only 9 in., and at Cairo only 2 in. It is easy to see that the full supply of water from

a normal rise of the Nile is necessary for the cultivated area. The British have improved the works at the head of the delta, which control the level of the river. At Assuan (Aswan), at Assiut, and below Cairo, great dams regulate the waters, and irrigation is assured at all seasons. Towards the end of the Nile flood the sluices are shut down, and when the next flood rises they are gradually opened. Water is drawn off from the dams by deep canals, and is distributed to the lower network of irrigation canals. The basin system of irrigation is practised in Upper Egypt. The land on both sides of the Nile, when it is slightly above the level of the valley, is divided into basins or compartments. These basins are connected by shallow canals, which thus admit the flood waters of the Nile from basin to basin. Improved arrangements have been made under British superintendence, enabling the water in the basins belonging to a group in one part of the Nile Valley to be supplemented in times of low flood by connecting canals from the next higher group. Perennial irrigation is effected by the network of canals tapping the Nile in Lower Egypt, and by the Ibrahimye Canal in Middle Egypt. The Fayum depression lying to the south-west of the delta is also irrigated by channels from the Nile, notably by the Bahr Yasuf. Irrigation by hand or animal power is still resorted to in many parts of Upper Egypt.

Production and Industries. Agriculture is the mainstay of the people. A large proportion of the agricultural population (Fellahin) are small land-holders; their industry is proverbial, and though their methods may seem primitive, they are suited to irrigation and the climate. The Egyptian agricultural year includes three crop seasons. In winter, during the month of November, cereals of all kinds (especially wheat and barley) are sown, and are harvested in May and June. The chief summer crops, sown in March and harvested in October and November, are sugar, cotton, and rice. Autumn crops are sown in July and gathered in September and October; they include maize, rice, millet, and vegetables. The cultivated land is at its maximum in winter. Where perennial irrigation is possible, the chief crops are cotton, rice, maize, wheat, barley, clover, pulse, melons, cucumbers, onions, and the sugar-cane. Two or three crops are secured annually on land perennially irrigated. Lands irrigated by the Nile floods are under millet, and, if low-lying, are drained after flood time, and sown with wheat, beans, or clover. Under basin irrigation, cereals and vegetables are the chief agricultural products. The growth of the population of Egypt, since agriculture has become more assured, has been remarkable. Two oases west of the Nile—Siwah and Khargeh—are noted for their dates. It should be noted that, with its fertile valley soil, high temperatures, and improved irrigation facilities, Egyptian agriculture has excellent prospects of advancement.

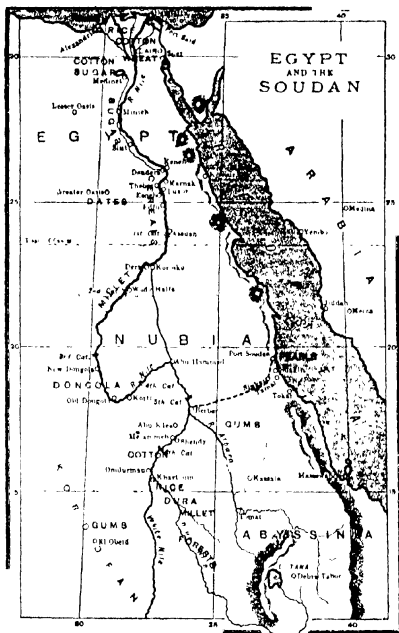
Mining is in its infancy. Gold, copper, phosphates, nitrates, coal, and oil have been found.

The Pastoral Industry of the Beja nomads and warriors of the deserts is of small importance.

Manufactures are only of local importance.

Communications. Egypt was important in past times as a transit land in the lucrative caravan trade between the shores of the Mediterranean Sea and the Indian Ocean. Civilisation advancing westwards robbed it of its old importance, but much has been regained by the construction of the Suez Canal. The Nile is useful as a waterway; from Assuan

there is an unbroken water route to the Mediterranean, and boats with high lateen sails and river steamers carry on traffic. Navigable canals—the Mahmudieh and the Zagazig—make navigation easier on the delta areas. The ancient trade route by the Nile Valley into eastern equatorial Africa is now partly followed by a railway proceeding from Alexandria through Cairo to Assuan. Unfortunately, the railways are on two gauges—from Luxor to Assuan 3 ft. 6 in. gauge, and below Luxor 4 ft. 8½ in. gauge. In 1882 the Egyptians rebelled against their Turkish Khedive, and Britain intervened largely on account of possible danger to the Suez route. The Suez Canal lies entirely in Egyptian territory, and was completed in 1869. It runs from



Port Said on the Mediterranean to Suez on the Red Sea, passing through Lake Menzaleh, Lake Timsah, and the Bitter Lakes. It is about 100 miles long, and vessels drawing 28 ft. of water can pass freely along it. To British eastern shipping it is of prime importance. The caravan route to Damascus crosses the canal by means of a floating bridge.

Commerce. The chief exports of Egypt are cotton, and cotton-seed, wheat, beans, sugar, maize, rice, tobacco, and ostrich feathers, gums, and ivory, which are brought from Equatorial Africa by caravan and river. The chief imports are textiles, coal, hardware, and machinery. Most trade is with the United Kingdom. The following countries also carry on important trade with Egypt: Germany, Austria-Hungary, Turkey, France, and Italy. Alexandria, Port Said, and the minor ports of Damietta and Rosetta are the chief outlets.

Trade Centres. Cairo (785,000) and Alexandria (440,000) are the largest towns. There are eight other towns with populations exceeding 25,000.

Cairo, at the head of the delta, is the capital of

Egypt. It is a railway centre, lines connecting it with the towns of the delta, and the Suez Canal. Old Cairo is the Arab city; modern Cairo is western in its ugliness.

Alexandria, at the north-western corner of the delta, is the chief port. The city was founded by Alexander the Great (the Egyptians have never been a seafaring nation). Its harbour has been improved, and is protected from the river-borne silt by its ancient mole and modern breakwater.

Port Said, at the northern end of the Suez Canal, is an important coaling station, and has a large *entrepôt* trade.

Suit, or **Assuit**, is the capital of Upper Egypt. It is a noted caravan centre.

Assuan (*Aswan*), on the Nile in southern Egypt, is a rail, river, and route centre. A great dam has been constructed here.

Rosetta and **Damietta**, delta ports, carry on a small trade.

Bulah, a suburb of Cairo, is a busy river port.

Suez, at the Red Sea outlet of the canal, is only a small town.

Zagazig, **Tantah**, and **Mansourah** are other centres.

There is, in normal times, a regular weekly mail service from England to Egypt every Friday night. There are also supplemental mails by Austrian, French, and Italian steamships. Cairo is 2,520 miles distant from London, and the time of transit is six days.

EIDER DOWN.—Fine, soft down obtained from the breast of the eider-duck, which is found in Scandinavia, Greenland, and Iceland. The down is used by the mother-bird as a lining for the nest, from which it is taken for purposes of export. Being light as well as warm, it is much in demand, particularly in the manufacture of quilts, cushions, etc. It is, however, rather scarce, and the price is correspondingly high. The down most commonly used is procured from other sources. (See **FEATHERS**.)

EJECTMENT.—The process of turning off a trespasser from the land or premises on which he remains unlawfully. The term is now generally applied to the process by which a landlord gets rid of a tenant whose term has expired. (See **LANDLORD AND TENANT**.)

EJOO FIBRE.—A dark fibre resembling horse-hair, used in the manufacture of ropes. It is obtained from an East Indian palm known as the *Arenga saccharifera*.

EL.—(See **FOREIGN WEIGHTS AND MEASURES—HOLLAND**.)

ELATERIUM.—A green substance obtained by drying the juice of the squirting cucumber, a native of the Mediterranean countries. Its active principle is elaterin, a powerful purgative.

ELECAMPANE.—A plant of the composite order growing in damp meadow land. It has an aromatic root, which is useful in medicine and in perfumery.

ELECTRIC LIGHTING.—The company, local authority, or person who supplies electricity for the use of the public is called "the undertakers" in the Electric Lighting Act of 1882. The Board of Trade may grant a licence to any suitable person or body of persons to supply electricity in any area. The consent of the local authority must be obtained, if the undertakers are a company or a private firm. The licence is granted for seven years, and may be renewed. All licences granted by a local authority are subject to approval by the Board of Trade. Advertisement must be made in the public Press by those who intend to apply for a licence. The

conditions required of those to whom licences are granted are : The limitation of the area of supply ; that the supply must be regular and efficient ; that the public may be safeguarded from danger ; the regulation of the price to be charged ; inspection of the installation at intervals ; and the enforcement of the duties which the undertakers have agreed to perform.

For the purposes of providing the supply, land may be acquired by compulsory purchase if necessary, and streets may be broken up to lay pipes and cables, but lines of cable may not be erected above ground without the express consent of the local authority. The cables and lines must not obstruct any canal or dock. The undertakers are not allowed to say that only one special lamp as burner is to be used on their system. If any person maliciously cuts or injures any electric line or wire, he shall be guilty of a felony and liable to suffer a long term of imprisonment. If any person maliciously or fraudulently abstracts, wastes, or diverts electricity, he shall be guilty of larceny. The lines and indicators shall be examined at all reasonable times by the properly appointed officer. Landlords are not allowed to take the electric lines, meters, or apparatus fixed by the undertakers in a building, as distress for unpaid rent.

The electric and telegraphic lines of the Postmaster-General are protected by the Act, and the undertakers are not allowed to do anything which may interfere with their proper working. When the undertakers are about to erect works, or place cables near the lines of the Postmaster-General, they must give due notice, and reasonable facilities will be granted to them accordingly. Where gas undertakers can no longer supply gas at a profit because of the advent of electricity, the Board of Trade may relieve the gas undertakers of their obligation.

The Electric Lighting (Clauses) Act, 1899, has consolidated the rules of law upon this subject. The undertakers obtain their right to provide electricity by Special Order of the Board of Trade, and are not allowed to purchase other undertakings except by authority of Parliament. Electricity must not be supplied beyond the specified area without special sanction. If the undertakers are a company, or a firm, and not a local authority, they must satisfy the Board of Trade that they are financially able to carry out the work, they must deposit such security as may be required, and must submit their accounts to be audited to the satisfaction of the Board of Trade.

Where the electricity is supplied by a local authority, regulations are laid down as to the disposal of the income arising from the supply of electricity, as to the purchase or hire of lands, as to the creation of a reserve fund, and as to every detail which concerns the financial aspects of the undertaking. The electric energy supplied to the public must be by means of some system to be approved in writing by the Board of Trade ; street boxes may be made in connection with the supply, and these boxes must be properly ventilated, and not above ground unless by proper consent. Where these boxes are to be placed in any street, a notice of the fact must be served on the Postmaster-General, together with a plan of the proposed boxes and works. If the undertakers are about to erect their lines along, or near, or under any railway, tramway, canal, or other private property, they must submit to the owners a plan and

drawings of the proposed works, and such works must be carried out to the reasonable satisfaction of the owners.

Any local authority, company, or body of persons, whose duty it is to repair a street, or work any railway, or tramway, may, if they choose, undertake the duties of breaking the ground on such property for the purpose of laying electric lines, which, in the pursuance of their powers, the undertakers ought to do, but notice must be served on the undertakers, and the costs of the work done are matter of adjustment. Power is given to the undertakers to alter the position of any pipes or wires under any street. When lines for electric current are to be laid near to any sewer, defence work, or gas, or water main, notice must be given to the owners of the respective works, of what is proposed to be done. The officers of such owners have the right to be present and to superintend the work to be done. Every reasonable precaution must be taken against injury to any wire or line used for telegraphic, telephonic, or electric signalling.

Within a period of two years after the commencement of the Special Order, sufficient distributing mains must be laid down and maintained. Where the undertakers propose to fix a private wire to the premises of a private consumer, they must first serve notice on the local authority and on the adjoining owners. Six or more owners or occupiers in a street may make a requisition, in writing, requiring the undertakers to lay down distributing mains for a general supply. Occupiers and owners within 50 yards of a distributing main may require the undertakers to supply them with such electric energy as they desire, but the undertakers must be satisfied that the electric fittings of the party to be supplied are reasonably fit for their purpose. If the undertakers fail to supply energy to any owner, they must pay a penalty of 40s. for each day on which the default occurs.

The undertakers may charge for energy (1) by the actual amount supplied ; (2) by the electrical quantity contained in the supply ; (3) by any other method approved by the Board of Trade. The maximum prices to be charged must not exceed those stated in the Special Order, or otherwise approved by the Board of Trade. The Board of Trade appoints competent and impartial persons to be electric inspectors, whose duties are : To test the lines, works, meters, and to perform such other duties as may be required of them. The electric inspector may also test the instruments used in the testing stations of the undertakers. Every meter in use must be a certified meter, and it must be so certified by the skilled inspector of the Board of Trade. Every consumer must keep such meters as are his personal property in proper repair, or the supply of energy may be cut off.

The question of the supply of electricity has long occupied the attention of the authorities, and as a result of the deliberations of a special committee of the Board of Trade, an Act was passed in the latter part of 1919, which incorporated the main recommendations of the committee—the Electricity (Supply) Act, 1919. Under this Act provision is made for the appointment of a body of Electricity Commissioners acting under the direction of the Board of Trade, and for the constitution of a number of District Electricity Boards, acting directly under the Commissioners. The main object aimed at is the cheap and abundant supply of electric power within the controlled district. For

this purpose compulsory powers are conferred for the acquisition of generating stations, acquiring or using main transmission lines of any authorised undertaking, constructing generating stations, main transmission lines and other works, and acquiring the undertakings of authorised distributors. Provision is further made under the Act for the payment of the necessary compensation where difficulties arise. Upon the whole subject, so far as details of the same are concerned, the Act itself must be consulted.

ELEGIT.—The name of a writ issued by a judgment creditor after a judgment has been pronounced, ordering the sheriff to place the creditor in possession of the whole of the lands of the debtor, which are to be held by him until such time as the judgment has been satisfied. It was at one time possible for the sheriff to seize the goods of the debtor as well as his lands, but since the passing of the Bankruptcy Act, 1883, a writ of elegit no longer extends to anything else than lands of the debtor. No judgment in any way affects land, so as to form a charge upon it, until it has been actually taken in execution by the sheriff.

The writ of elegit is of great antiquity, but it is now seldom met with, as it rarely happens that a judgment debtor who cannot satisfy his liabilities in another way is possessed of uncharged property.

The writ cannot issue against the property if there is already a charge upon it, e.g., a mortgage.

ELEMI.—The name given to certain fragrant gum resins obtained from various trees of the myrrh order, of which the principal grow in Manilla. Elemi, when pure, is practically colourless and semi-transparent. Owing to its aromatic odour, it is used in the manufacture of incense. It is also employed to toughen varnishes, and is useful in making ointments and plasters.

ELL.—(See FOREIGN WEIGHTS AND MEASURES—GERMANY.)

ELM.—A genus of trees of which several species are found in the various temperate countries. Elms belong to the natural order *Ulmaceæ*. The common English elm is noted for its toughness, durability, and strength, the Cornish species being particularly valuable. As it remains unaffected by water and is not liable to split, elm wood is much used in shipbuilding.

EMBARGO.—Embargo is a temporary order from the Admiralty to prevent the arrival or departure of ships. It may apply to vessels and goods, or to specified goods only; it may be general or special; it may apply to the entering only, to the departure only, or to both entering and departure of ships from particular ports. Embargo does not put an end to any subsisting contract relating to the ships affected, but is only a temporary suspension of such contract. It is within the powers of the British Sovereign to lay an embargo on even British ships; but a proclamation to lay an embargo in time of peace, e.g., upon all vessels laden with wheat in a period of public scarcity, has been deemed contrary to law and particularly to 22 Car. 2, c. 13. In modern times, embargoes in anticipation of war have fallen into disuse.

EMBEZZLEMENT.—This is an offence which is, unfortunately, only too frequently met with in the commercial world. It is the appropriation by any servant or employee of property received by him on behalf of his employer. To constitute the offence it is necessary to prove three things on the part of

the prosecution: (1) That the person charged was a servant of the prosecutor; (2) that he received the property on behalf of his employer; and (3) that he wrongfully appropriated it to his own use. It may be distinguished from larceny by a simple illustration. If a servant is engaged in a shop and takes money out of the till and actually appropriates the same, that is larceny, or theft; but if the servant sells an article on behalf of his master and puts the money paid for the same by the customer into his own pocket, without its ever having been in the till at all, that is embezzlement. Embezzlement is a felony by statute, and, on conviction, a prisoner may be sent to penal servitude for a term up to fourteen years. At one time it was necessary to distinguish this offence from larceny, otherwise a person who was wrongly indicted might have escaped. Now it is immaterial, for if a person is indicted for larceny and the offence turns out to be embezzlement, a conviction may follow as though the latter offence was charged, and *vice versa*.

EMBLEMETS.—These are vegetable products which are the annual results of labour. On the termination of a tenancy, the emblements belong to the tenant, and if they are not ready to be gathered, the landlord must permit the tenant to take them even after the expiration of the tenancy, unless there is an express agreement to the contrary; and this is so when the tenancy is one of uncertain duration and the tenancy has not been determined by the act of the tenant. As emblements are personal property, they descend to the personal representative, executor or administrator, of a deceased person.

EMBRACERY.—This is an offence, punishable by fine and imprisonment, which consists in the use of unlawful means to attempt to influence a jury in the finding of a verdict. Bribery and intimidation are two of the chief forms which embracery may take.

EMERALD.—A precious stone of the same species as the beryl. It varies greatly in value. The beautiful velvety green colour is said to be due to the presence of oxide of chromium. The constituents of the emerald are alumina, silica, glucina, and minute quantities of magnesia, carbonate of lime, and sodium. Though soft when first brought to the surface, it rapidly hardens on exposure to the atmosphere. Emerald copper, also called diopbase, is a rare emerald-green mineral found in the Ural Mountains, and the Oriental emerald is a variety of green corundum. The best emeralds are obtained from Colombia and Venezuela, and inferior varieties are found in Siberia and various parts of Europe.

EMERGENCY LEGISLATION.—This is the name given generally to the whole mass of legislation enactments passed between 1914 and 1918 to meet the exceptional conditions created by the Great War. The statutes passed affected every class of the community, and for the time being completely abrogated the ordinary law of the land. With the advent of peace, however, practically the whole of this special legislation has passed away, and it does not, therefore, now require any detailed notice.

EMERY.—A blackish mineral, noted for its hardness. It is an impure variety of corundum, and owes its colour to the presence of oxide of iron. Its characteristic hardness makes emery a valuable agent for grinding, cutting, and polishing glass, gems, and metals of all kinds. It is used in the form of a powder, which is spread over the glued

surface of calico or other fabric to produce emery paper; and, mixed with soluble glass or some other binding, is laid on the edge of iron and lead wheels for cutting and polishing in lapidary work. Emery was formerly found only in Greece, but is now obtained also from Asia Minor and Massachusetts.

EMIGRANT RUNNERS.—Emigrant runners are dealt with by Sub-section 347-352 of the Merchant Shipping Act, 1894. It enacts that if any person other than a licensed passage broker or his *bond fide* salaried clerk, in or within 5 miles of the outer boundaries of any port, for hire or reward, or the expectation thereof, directly or indirectly conducts, solicits, influences, or recommends any intending emigrant to or on behalf of any passage broker, or any owner, charterer, or master of a ship, or any keeper of a lodging-house, tavern, or shop, or any money-changer or other dealer or chapman, for any purpose connected with the preparations or arrangements for a passage, or gives or pretends to give any intending emigrant any information or assistance in any way relating to emigration, that person shall be an emigrant runner. The licensing authority for passage brokers may, on the recommendation in writing of an emigration officer, or of the chief constable, if they think fit, grant to the applicant a licence to act as emigrant runner. Any person who acts without a licence is liable to a fine of £5. An emigrant runner while acting as such must wear his badge conspicuously on his breast. He is not entitled to recover from a passage broker any fee, commission, or reward in consideration of any service connected with emigration, unless he is acting under the written authority of that passage broker. He must not take or demand from any person about to emigrate any fee or reward for procuring his steerage passage, under a penalty of £5.

EMIGRANT SHIP.—An emigrant ship, in respect of which a passenger steamer's certificate is not in force, must not proceed to sea on any voyage unless she has been surveyed under the direction of the emigration officer at the port of clearance, but at the expense of the owner or charterer, by two or more competent surveyors to be appointed by the Board of Trade or by the Commissioners of Customs, and has been reported by such surveyors to be in their opinion seaworthy and fit for her intended voyage. The survey must be made before any portion of the cargo is taken on board, except so much as may be necessary for ballasting the ship, and such portion of cargo must be shifted, if required by the emigration officer, or the surveyors, so as to expose to view successively every part of the frame of the ship. If the surveyors report that the ship is not seaworthy, or not fit for her intended voyage, the owner or charterer may, if he thinks fit, by writing under his hand, require the emigration officer to appoint three other competent surveyors (of whom two at least must be shipwrights) to survey the ship at the expense of the owner or charterer, and if by unanimous report under their hand, but not otherwise, they declare the ship to be seaworthy, the ship shall be deemed to be so. If any of these requirements are not complied with in the case of an emigrant ship, the owner, charterer, or master is liable to a fine of £100. Every emigrant ship must, in addition to any other requirements, be provided with the following articles, viz.: (a) With at least three steering compasses and one azimuth compass; and (b) if proceeding to any place north of the equator, with at least one chronometer; and (c) if proceeding to any place south of

the equator, with at least two chronometers; and (d) with a fire engine in proper working order, and of such description and power as the emigration officer may approve; (e) three bower anchors and cables of such length, size, and material as in the judgment of the emigration officer are sufficient for the size of the ship; and (f) if a foreign ship, with four properly fitted life-buoys kept ready at all times for immediate use; (g) adequate means, to be approved by the emigration officer at the port of clearance, of making signals by night, including means of making flames on the ship which are inextinguishable in water, or such other means of making signals of distress as the Board of Trade may approve; and with a proper supply of lights inextinguishable in water and fitted for attachment to life-buoys. If these requirements are not complied with in the case of any emigrant ship, the master is liable to a fine of £50.

A ship must not carry passengers, whether cabin or steerage, on more than two decks, except that cabin passengers (not exceeding one for every 100 tons of the ship's registered tonnage), and sick persons placed in hospital may be carried in the poop or deck-house, although passengers are carried on two other decks. If steerage passengers are carried under the poop, or in a round house, or deck house, the poop, round house, or deck house must be properly built and secured to the satisfaction of the emigration officer at the port of clearance. If the master of a ship does not comply with these provisions, he is liable to a fine of £500. No more steerage passengers may be carried in an emigrant ship on the upper passenger deck, or under the poop, or in the round or deck house, than one adult for every 15 clear superficial ft. of deck allotted to them, or on the lower passenger deck more than one adult for every 18 such feet; but if the space between the latter deck and the deck above is less than 7 ft., or the apertures for light and air (exclusive of side scuttles) less than 3 sq. ft. to every 100 superficial ft. of deck, not more than one adult can be carried for every 25 ft. of the lower deck; and no more steerage passengers in the whole than one for every 5 superficial ft. clear for exercise on the upper deck, poop, or round or deck house; and in that measurement the hospital space and space occupied by personal luggage of steerage passengers is included; if more than that number are carried, the owner is liable to a fine of £20 for every person taken in excess. Regulations are also made for the accommodation of steerage passengers, relating to the construction of passenger decks, berths, hospitals, privies, and supply of light and ventilation—infringement of which is punishable, in the case of master, charterer, or owner, unless the master only is liable, with a fine of £50. No part of the cargo or of the steerage passengers' luggage, or of the provisions, water, or stores, whether for the use of the steerage passengers or of the crew, must be carried on the upper deck or on the passenger decks, unless, in the opinion of the emigration officer at the port of clearance, the same is so placed as not to impede light or ventilation, or to interfere with the comfort of the steerage passengers, nor unless the same is stored and secured to the satisfaction of the emigration officer. The owner, charterer, or master, who is guilty of a breach of these provisions, is liable to a penalty of £300.

There must be placed on board every emigrant ship, for the steerage passengers, provisions and water of good and wholesome quality and in sweet and good condition, and in quantities sufficient to

secure throughout the voyage the issues required by the Merchant Shipping Act, 1894. In addition to the allowance of pure water for each steerage passenger, water must be shipped for cooking purposes sufficient to supply 10 gallons for every day of the length of the voyage, for every 100 statute adults on board. There must also be shipped for the use of the crew and all other persons on board an ample amount of wholesome provisions and pure water, not inferior in quality to the provisions and water provided for the steerage passengers. The penalty for a breach of these regulations is a fine of £300. Before an emigrant ship is cleared outwards, the emigration officer must survey, or cause to be surveyed by some competent person, the provisions and water required to be placed on board for the steerage passengers, and must satisfy himself that the same are of good and wholesome quality, and in sweet and good condition, and in the quantities required by the Act. If they are found not to be in proper condition, the emigration officer may reject and mark the same, and direct them to be forthwith landed and emptied. If they are not landed or emptied, or if, after being landed, they are re-shipped in the same or some other emigrant ship, the person guilty of the offence is liable to a fine of £100.

The water to be placed on board emigrant ships must be carried in tanks or casks approved by the emigration officer, and the casks must be sweet and tight, of sufficient strength, and if of wood, properly charred inside, and the staves must not be made of fir, pine, or soft wood, and each cask must not be capable of containing more than 300 gallons. A person guilty of a breach of this regulation is liable to a fine of £50. A smaller supply of water than that prescribed is only allowed if the ship is going to touch at intermediate ports for taking in water, and there is such a stipulation in the master's bonds, and the emigration officer gives a written approval which goes with the ship's papers during the voyage, and the ship must have on board at clearance sufficient means for storing the quantity of water required for the longest portion of the voyage from, or to, such intermediate port. The master must issue water and provisions to the steerage passengers, in accordance with a scale prescribed by the Board of Trade, under a penalty of £50. The master of every emigrant ship must, on request, produce to any steerage passenger, for his perusal, a copy of the scale of provisions to which that person is entitled, and must post up copies of the scale in at least two conspicuous places between the decks on which steerage passengers may be carried, and must keep them posted so long as any steerage passenger is entitled to remain in the ship. The master is liable, on summary conviction, to a fine of 40s. for every day during which he is guilty of a breach of these regulations. A person who displaces or defaces any copy of the scale posted up is also liable to a fine of 40s.

The owner or charterer of every emigrant ship must provide for the use of the steerage passengers a supply of the following medical stores, viz. Medicines, medical comforts, instruments, disinfectants, and other things proper and necessary for diseases and accidents incident to sea voyages, and for the medical treatment of the steerage passengers during the voyage, with written directions for the use of such medical stores. The medical stores must, in the judgment of the emigration officer at the port of clearance, be good in quality and sufficient in quantity for the probable exigencies of the

intended voyage, and must be properly packed and placed under the charge of the medical practitioner, when there is one on board, to be used at his discretion. The master guilty of non-compliance with these provisions is liable to a fine of £50. An emigrant ship must not clear outwards, or proceed to sea, unless a medical practitioner, appointed by the emigration officer at the port of clearance, has inspected the medical stores, and certified that they are sufficient in quantity and quality, or unless the emigration officer, in case he cannot on any particular occasion obtain the attendance of a medical practitioner, gives written permission for the purpose. A master who is guilty of a breach of this regulation is liable to a fine of £100.

An emigrant ship must not clear outwards or proceed to sea if there is on board, (a) as cargo, any article which is an explosive within the meaning of the Explosives Act, 1875, or any vitriol, lucifer matches, guano, or green lude; or (b) either as cargo or ballast, any article or number of articles which, by reason of the nature, quantity, or mode of stowage thereof, are, either singly or collectively, in the opinion of the emigration officer at the port of clearance, likely to endanger the health or lives of the steerage passengers or the safety of the ship; or (c), as cargo, horses or cattle, or other animals, except they are carried under certain prescribed conditions. If these requirements are not complied with, the owner, charterer, or master of the ship is liable to a fine of £300. A Secretary of State may, by order under his hand, authorise the carriage as cargo in any emigrant ship (subject to such conditions and directions as may be specified in the order) of naval and military stores for the public services, and those stores may be carried accordingly. If the master does not comply with all the conditions and directions in the order, he is liable to a fine of £300.

Subject to any regulations made by Order in Council, a duly authorised medical practitioner must be carried on board an emigrant ship—(a) where the number of steerage passengers on board exceeds fifty, and also (b) where the number of persons on board (including cabin passengers, officers, and crew) exceeds 300. When the majority of the steerage passengers in any emigrant ship, or as many as 300 of them, are foreigners, any medical practitioner, whether authorised or not, may, if approved by the emigration officer, be carried thereon. Where a medical practitioner is carried on board an emigrant ship, he must be rated on the ship's articles. If these provisions are not complied with, the master is liable to a fine of £100. If any person proceeds or attempts to proceed as medical practitioner in any emigrant ship without being duly authorised, or contrary to the requirements of these provisions, he and any person aiding and abetting him are liable to a fine of £100.

Every emigrant ship, if carrying as many as 100 steerage passengers, must carry a steerage steward, who must be a seafaring man, and rated in the ship's articles as steerage steward, and approved by the emigration officer. He must be employed in messing and serving out the provisions to the steerage passengers, and in assisting to maintain cleanliness, order, and good discipline among them, and must not assist in any way in navigating or working the vessel. Every emigrant ship carrying as many as 100 steerage passengers must also carry a steerage cook, and if carrying more than 300 statute adults, two steerage cooks, who must be seafaring men, and

be rated and approved as in the case of steerage stewards, and must be employed in cooking the food of the steerage passengers. In every such ship a convenient place for cooking must be set apart on deck, and a sufficient cooking apparatus, properly covered in and arranged, must be provided, to the satisfaction of the emigration officer at the port of clearance; together with a proper supply of fuel adequate, in his opinion, for the intended voyage. Every foreign emigrant ship, in which as many as one-half of the steerage passengers are British subjects, must, unless the master and officers, or not less than three of them, understand and speak intelligently the English language, carry, if the number of steerage passengers does not exceed 250, one person, and if it exceeds 250, two persons, who understand and speak intelligently the language spoken by the master and crew, and also the English language; those persons must act as interpreters, and be employed exclusively in attendance on the steerage passengers, and not in working the ship; and any such ship must not proceed to sea without having such interpreter on board. If the master fails to comply with these provisions, he is liable to a fine of £50. Every emigrant ship must be manned with an efficient crew for her intended voyage, to the satisfaction of the emigration officer, from whom a certificate for clearance is demanded. After the crew have been passed by the emigration officer, the strength of the crew must not be diminished nor any of the men changed without the consent, in writing, either of that emigration officer or of the superintendent at the port of clearance. Where the consent of a superintendent has been obtained, it must within twenty-four hours be lodged with the emigration officer. If the emigration officer considers the crew inefficient, the owner or charterer may appeal in writing to the Board of Trade, and the Board shall, at the appellant's expense, appoint two other emigration officers or two competent persons to examine into the matter, and the unanimous opinion of the persons so appointed, expressed under their hands, is to be conclusive on the point. A master guilty of any breach of these regulations is liable to a fine of £50.

An emigrant ship must not proceed to sea until (a) a medical practitioner, appointed by the emigration officer, has inspected all the steerage passengers and crew, and the emigration officer is satisfied that none of the steerage passengers or crews appear to be, by reason of any bodily or mental disease, unfit to proceed, or likely to endanger the health or safety of the other persons in the ship; or (b) the emigration officer, if he cannot on any particular occasion obtain the attendance of a medical practitioner, grants written permission for the purpose. The inspection must take place either on board ship, or in the discretion of the emigration officer, at such convenient place on shore before embarkation, as he appoints; and the master, owner, or charterer must pay to the emigration officer, in respect of the inspection, a fee not exceeding 20s. for every 100 persons or fraction of 100 persons inspected, as the Board of Trade determine. If these provisions are not complied with, the master is liable to a fine of £100.

If the emigration officer is satisfied that any person on board, or about to proceed in an emigrant ship, is, by reason of sickness, unfit to proceed, or is for that or any other reason in a condition likely to endanger the health or safety of the other persons on board, the emigration officer must prohibit his

embarkation or require him to be re-landed; and if the emigration officer is satisfied that it is necessary, for the purification of the ship, that the persons on board should be re-landed, he may require the master to re-land them. If the master fails to comply with these requirements, he is liable to a penalty of £200. If any person embarks when prohibited, or fails, without reasonable cause, to leave the ship when so required to be re-landed, he may be summarily removed, and is liable to a fine of 40s. for every day he remains on board after the prohibition. Upon such re-landing, the master must pay to each steerage passenger so re-landed, or, if he is lodged and maintained in any hulk or establishment under the superintendence of the Board of Trade, then to the emigration officer at the port, subsistence money at the rate of 1s. 6d. a day for each statute adult until he has been re-embarked or declines to proceed, or until his passage money, if recoverable, has been returned to him.

When a person has been re-landed from an emigrant ship on account of the sickness of himself or of any member of his family, and is not re-embarked or does not finally sail in that ship, he, or any emigration officer on his behalf, is entitled, on delivery up of his contract ticket, although the ship has not sailed, to recover summarily, in the case of a steerage passenger the whole, and in the case of a cabin passenger one-half of the money paid by the passenger and of the members of his family re-landed, from the person to whom the same was paid, or from the owner, charterer, or master of the ship, or any of them, at the option of the person recovering the same.

Before an emigrant ship proceeds to sea, the master, together with the owner or charterer, or, in the event of the owner or charterer being absent, one other good and sufficient person approved by the chief officer of customs at the port of clearance, must enter into a joint and several bond, the form of which is statutory, or prescribed by the Board of Trade, of £2,000 to the Crown, which is executed in duplicate and is exempt from stamp duty; and if neither the owner nor charterer resides in the British Islands, the bond must be for £5,000, and must also contain an undertaking to pay to the Crown, as a Crown debt, all expenses of forwarding to their destination steerage passengers who, owing to shipwreck or any other cause, except their own negligence or default, do not reach their destination in the ship; the chief officer of customs gives a certificate of the execution of the bond on one part of it; and, if the ship clears for a British possession, sends that part of it to the Government of such possession; such certificate is evidence of the bond in the courts of that possession; such a bond is not available there till three months after the ship's arrival there, or in the British Islands till twelve months after the return of the ship and of the master to the British Islands. Such a bond may be continuing as respects any particular ship, and all voyages during its continuance are subject to the above provisions and the regulations made by the Board of Trade.

The master of every ship carrying steerage passengers on a voyage from the British Islands to any port out of Europe, and not within the Mediterranean Sea, or on a Colonial voyage, must, before demanding a clearance for his ship, sign in duplicate a passengers' list, correctly setting forth the names and other particulars of the ship and of every passenger, whether cabin or steerage on board. The

passenger list must be countersigned by the emigration officer, if there is one at the port, and then delivered by the master to the officer of customs, who must countersign and return to the master one duplicate, and must retain the other duplicate. If these requirements are not complied with, or any passenger list is wilfully false, the master is liable to a fine of £100. If at any time after the passengers' list has been signed and delivered, any additional passenger (whether cabin or steerage) is taken on board, the master must add to his list, and also enter on a separate list signed by him the names and other particulars of every additional passenger. This separate list must be countersigned by the emigration officer, where there is one at the port, and must, together with the master's list to which the addition has been made, be delivered to the chief officer of customs at the port, who must thereupon countersign the master's list and return the same to the master, and retain the separate list, and so on, whenever any additional passenger is taken on board. If there is no officer of customs stationed at the port where an additional passenger is taken on board, the lists must be delivered to the officer of customs at the next port having such an officer at which the vessel arrives. When any additional passenger is taken on board, the master must, before the ship proceeds to sea, obtain a fresh certificate from the emigration officer that all requirements have been complied with. If the master fails to comply with the above requirements, he is liable to a fine of £50. If a person is found on board an emigrant ship with intent to obtain a passage therein without the consent of the owner, charterer, or master, he and any person aiding or abetting him are liable to a fine of £20, and, in default of payment, to imprisonment not exceeding three months, with or without hard labour. Any person so found on board may, without warrant, be taken before a justice of the peace to be dealt with in a summary manner.

Certificate for Clearance. A ship intended for the carriage of steerage passengers as an emigrant ship must not proceed to sea until the master has obtained from the emigration officer at the port of clearance a certificate that all the above requirements of Part III of the Merchant Shipping Act, 1894, so far as the same can be complied with before the departure of the ship, have been duly complied with, and that the ship is, in his opinion, seaworthy and in all respects fit for her intended voyage, and that the steerage passengers and crew are in a fit state to proceed, and that the master's bond has been duly executed. An appeal is given, from a refusal to grant such certificate, to two other officers or other suitable persons appointed by the Board of Trade, who can jointly give a certificate of clearance. The master of every ship, whether emigrant ship or not, which is to carry steerage passengers from the British Islands to a port outside Europe, and not to the Mediterranean, or on a colonial voyage, must give facilities for her inspection, at any British port at which she arrives, to the emigration officer there, and in the case of a British ship to the consul at any port elsewhere, under a penalty of £50. If any emigrant ship, after clearance, is detained in port more than seven days, or puts into or touches at any port in the British Islands, she must not proceed to sea again until (a) there has been laden on board such further supply of pure water, wholesome provisions of the requisite kinds and qualities, and medical stores as is necessary to make up the full

quantities of those articles required; and (b) any damage which the ship has sustained has been effectually repaired; and (c) the master has obtained another certificate of clearance. The master is liable to a fine of £100 if he is guilty of a breach of these regulations. *

If any emigrant ship, after clearance, puts into or touches at any port in the British Islands, the master must, within twelve hours, report in writing his arrival, and the cause of his putting back, and the condition of his ship and her provisions, etc., to the emigration officer at the port, and must produce the master's list of passengers, under a penalty of £20. If the owner of an emigrant ship is aggrieved by the refusal of an emigration officer of a certificate for clearance, he may appeal to a court of survey for the port or district where the ship for the time being is. Where a survey of a ship is made for the purpose of a certificate for clearance, the person so appointed to make the survey must, if so required by the owner, be accompanied on the survey by some person appointed by the owner, and in such case, if the two persons agree, there is no appeal to the Court of Survey. If any emigrant ship (a) proceeds to sea without the master having obtained the certificate of clearance; or (b) having proceeded to sea, puts into any port in the British Islands in a damaged state, and attempts to leave that port, with steerage passengers on board, without the master having obtained the proper certificate of clearance, the ship is to be forfeited to the Crown, and may be seized by any officer of customs if found within two years from the commission of the offence in any port in His Majesty's dominions. The Board of Trade may release, if they think fit, any such forfeited ship on payment to the Crown of a sum not exceeding £2,000.

Passenger Contracts in Emigrant Ships. If any person, except the Board of Trade and their subordinates, receives any money from any person for a passage as a steerage passenger in any ship, or for a passage as a cabin passenger, in any emigrant ship, proceeding from the British Islands to any port out of Europe and not within the Mediterranean Sea, he must give to the person paying the same a contract ticket signed by, or on behalf of, the owner, charterer, or master, and printed in plain and legible characters, in the form approved by the Board of Trade and published in the *London Gazette*. The penalty for failure to comply with these requirements is a fine of £50. Such contract tickets are not liable to stamp duty. Any question arising respecting the breach of any stipulation in such contract ticket may, at the option of any passenger interested, whether a steerage or cabin passenger, be tried before a court of summary jurisdiction, and the court may award to the complainant such damages and costs as they think just, not exceeding the amount of the passage money specified in the contract ticket and £20 in addition, unless the passenger has obtained redress under any other provision. A passenger who fails to produce his contract ticket, without good cause, on demand by a proper officer, or an owner, charterer who fails in the like way to produce the counterpart of such a ticket, is liable to a fine of £10; and a penalty of £20 is imposed on anyone altering or inducing any one to part with, or destroy, a contract ticket, except that of a consenting cabin passenger.

Sanitary Regulations as to Steerage Passengers. Sanitary and medical regulations for emigrant ships proceeding from the British Islands to a British

possession (including prohibiting emigration from a port when cholera or other epidemic is generally prevalent in the British Islands or a part thereof), or reducing the number of steerage passengers allowed to be carried in an emigrant ship generally or from any particular ports in the British Islands; for permitting the use on board emigrant ships of apparatus for distilling water and for defining, in such case, the quantity of fresh water to be carried in tanks and casks for the steerage passengers; for requiring duly authorised medical practitioners to be carried in emigrant ships where they would not otherwise be required to be carried, may be made by Order in Council. Obedience to such regulations may be exacted by the medical officer and master; and failure to obey them, or obstructing those officers in performing their duties thereunder, or being riotous and insubordinate, entails a fine of £2, which may be accompanied with imprisonment for a period not exceeding one month. Spirits must not during the voyage be sold directly or indirectly in any emigrant ship to any steerage passenger under a penalty of £20.

Maintenance after Arrival. Every steerage passenger in an emigrant ship is entitled, under a penalty of £5, to sleep in the ship for at least forty-eight hours after his arrival at the end of his voyage, and to be maintained on board in the same manner as during the voyage, unless within that period the ship leaves the port in the further prosecution of her voyage.

Detention and Wrongful Landing of Passengers. Steerage passengers are entitled, if a passage is not provided for them according to their contract, for a voyage from the British Islands to a port outside Europe and not in the Mediterranean, or on a colonial voyage, when they are ready to embark, according to notice (and that passage has been paid for), either in the ship named or in an equally eligible one sailing ten days afterwards, and have not in the latter case been paid subsistence money, to recover summarily all money they have so paid, and compensation up to £10 for the loss and inconvenience so caused. If any ship, whether an emigrant ship or otherwise, does not actually put to sea and proceed on her intended voyage before 3 o'clock in the afternoon of the day next after the day of embarkation appointed in the contract, it must pay subsistence money to every steerage passenger till the ship proceeds on her voyage, at a fixed rate, viz.: For each of the first ten days of detention, 1s. 6d.; and for every subsequent day, 3s. for each statute adult. But if the steerage passengers are maintained on board as if the voyage had begun, subsistence money is not payable for the first two days after embarkation, nor if the ship is unavoidably detained by wind or weather, or other cause which, in the opinion of the emigration officer, is beyond the control of the owner, charterer, or master. If a steerage passenger is landed from any ship, whether an emigrant ship or not, at the port other than the port at which he has contracted to land, unless with his previous consent, or unless the landing is rendered necessary by perils of the sea or other unavoidable accident, the master is liable for each offence to a fine not exceeding £50.

Provisions in Case of Wreck. Where any emigrant ship has, while in any port of the British Islands, or after the commencement of the voyage, been wrecked or otherwise rendered unfit to proceed on her intended voyage, or returns damaged thereto, the master, charterer, or owner must, within forty-eight

hours, give to the nearest emigration officer a written undertaking, in the former case, that he will embark and convey the steerage passengers in some other eligible ship, to sail within six weeks, to the port for which their passage had been taken; or, in the latter case, that the same ship will sail again within six weeks. In either of the above cases, the owner, charterer, or master must, until the steerage passengers proceed on their voyage, either lodge or maintain them on board in the same manner as if they were at sea, or pay either to the steerage passengers or (if they are lodged and maintained in any hulk or establishment under the Board of Trade) to the emigration officer, subsistence money at the rate of 1s. 6d. a day for each statute adult. If the substituted ship or the damaged ship does not sail within the time specified, the steerage passengers, or the emigration officer, can recover summarily the passage money paid. The emigration officer may, if he thinks it necessary, direct that the steerage passengers be removed from any damaged emigrant ship at the master's expense, and if any steerage passenger refuses to leave the ship he is liable to a fine of 40s. or to imprisonment for one month.

If any passenger, whether cabin or steerage, is either taken off any ship which is carrying any steerage passenger on a voyage from any port of the British dominions, and is damaged, wrecked, or otherwise destroyed, or if any such passenger is picked up at sea from any boat, raft, or otherwise, a Secretary of State, if the port to which such wrecked passenger is conveyed is in the United Kingdom, and a governor in a British possession, and a British consular officer elsewhere, may defray all or any part of the expenses thereby incurred. If any passenger, whether a cabin or a steerage passenger, from any ship which is carrying any steerage passenger on a voyage from any part of His Majesty's dominions, finds himself, without any fault of his own, at any port outside the British Islands other than the port for which the ship was originally bound, the governor in a British possession and the consular officer elsewhere may forward the passenger to his intended destination, unless the master, within forty-eight hours of the arrival of the passenger, gives a written undertaking to forward, within six weeks, the passenger to his original destination. A passenger so forwarded by a governor or British consular officer is not entitled to the return of his passage money, or to any compensation for loss of passage. All expenses incurred by the authority of a Secretary of State, or governor, in respect of a wrecked passenger, or of forwarding of a passenger to his destination, including the cost of maintenance until forwarded, are a debt due to the Crown from the owner, charterer, or master. The sum recovered must not exceed twice the total amount of passage money received by the ship in respect of the whole number of passengers, whether cabin or steerage, who embarked in the ship. Any steerage passage or compensation money may be insured by a person liable to incur any such risk.

Voyages to the United Kingdom. The master of every ship bringing steerage passengers to the British Islands from any port out of Europe and not within the Mediterranean Sea, must, within twenty-four hours after arrival, deliver to the emigration officer a correct list, signed by the master, and specifying the name, age, and calling of every steerage passenger embarked, and the port at which he embarked, and showing also any birth which has occurred amongst the steerage passengers, and, if

any steerage passenger has died, his name and the supposed cause of his death. For failure to comply with this regulation, the master is liable to a fine of £50; and if there are more steerage passengers on board than allowed by the Merchant Shipping Act for such a voyage, the master is liable to a fine of £10 for each statute adult constituting such excess. The master must also issue to steerage passengers proper provisions and water, in the same quantities as those required in the case of emigrant ships sailing from the British Islands, under a penalty of £50. Where a ship which is not a British ship carries passengers, whether cabin or steerage, to or from any port in the United Kingdom, as the port of destination or the port of departure of such ship, the provisions with respect to registration of births and deaths occurring on board apply as if it were a British ship.

Additional Precautions. Time and experience make clear the shortcomings, which are now and then revealed as to emigrant ships, and careful inquiries are always necessary on the part of ship-owners, masters, officers, etc., to see that the necessary legislative requirements are fulfilled. Several important changes were made by the Merchant Shipping Act, 1914.

EMPLOYERS AND WORKMEN, DISPUTES BETWEEN.—An Act for amending the law relating to conspiracy, and to the protection of property, was passed in 1875. This Act was amended in an important particular by the Trade Disputes Act, 1906. The amendment of the law was brought about owing to an important ruling in the celebrated Taff Vale case, which will be presently referred to. If two or more persons combine to do any act in connection with a trade dispute between employers and workmen, such act will not be held to be a conspiracy, if it was not a crime when committed by one person only. Conspiracy, in law, is a combination or agreement between several persons to carry into effect a purpose hurtful to some individual, or to a particular class, or to the general public. At one time it was a crime, made so by statute, to raise the price of wages, if the doing of it was accomplished by several persons conspiring together for the purpose.

It is still an offence for any person to do a thing, in connection with a trade dispute, which will be hurtful to the community, e.g., if a person who is employed by a municipal authority, or by any company or contractor which supplies any place with gas or water, wilfully breaks his contract of service, and if such person knows that by ceasing to do his work, he will deprive the public of their accustomed supply of gas or water, such person will be liable to pay a fine of £20, or to suffer three months' imprisonment. There must be posted up in every gasworks and waterworks a copy of the section of the Act of Parliament to the above effect, so that every workman or employed person may read it. If any person wilfully breaks his contract of service, well knowing that such an act will be dangerous to the public, he will be punished as above described. This provision is to prevent the malicious flooding of mines and such like property. The statute aims at preventing danger to human life, serious bodily harm, or the exposing of valuable property to injury or destruction.

No person is permitted to compel another to abstain from doing what he has a legal right to do. It is, therefore, an offence, punishable as already described, to do any of the following things; To

use violence towards another, or to intimidate him, or his wife, or children; persistently to follow another person about from place to place; to hide the tools, clothes, or property of another; to watch the house or place where the workman is; or to follow another with two or more assisting, in a disorderly manner, along any street or road. It is not an offence, however, to attend at or near the place where the person lives or works, merely for the purpose of obtaining or communicating information.

If any party is convicted under this Act by a court of summary jurisdiction (a stipendiary magistrate, or two or more justices of the peace), he may appeal to quarter sessions, and his wife and children may be witnesses in all cases. The Act does not apply to seamen or to apprentices to the sea service, but, with this exception, it applies to all workmen and their employers in England, Wales, Scotland, and Ireland.

The case decided by the House of Lords in 1901 was that of the Taff Vale Railway Company against the Amalgamated Society of Railway Servants. It was this judgment which caused a change to be made in the law as to trade disputes. A brief summary of the case is as follows: Mr. Bell and Mr. Holmes were secretaries of the Amalgamated Society of Railway Servants. These officials took part in a strike, which was started by the servants of the Taff Vale Railway Company. The railway company then brought an action against the Amalgamated Society of Railway Servants, and Mr. Justice Farwell granted an injunction against the society, the same as had been previously granted against Bell and Holmes, "restraining the society, their servants, agents, and others acting by their authority, from watching, or besetting, or causing to be watched or beset, the Great Western Railway station at Cardiff, or the works of the plaintiffs, or any of them, or the approaches thereto, or the places of residence, or any place where they might happen to be, of any workman employed or proposing to work for the plaintiffs (the railway company), for the purpose of persuading, or otherwise preventing, persons from working for the plaintiffs, or for any purpose, except merely to obtain or communicate information, and from procuring any persons who had entered, or might enter, into any contracts with the plaintiffs, to commit a breach of such contracts."

The Court of Appeal set aside the two orders of Mr. Justice Farwell, and said that a trade union society cannot be sued in its registered name. The railway company appealed to the House of Lords. All the law lords disagreed with the Court of Appeal and supported the judgment of Mr. Justice Farwell. The Earl of Halsbury, Lord Chancellor, said: "If the legislature has created a thing which can own property, which can employ servants, and which can inflict injury, it must be taken, I think, to have impliedly given the power to make it suable in a court of law for injuries purposely done by its authority and procurement." Lord Macnaghten, Lord Shand, Lord Brampton, and Lord Lindley, all delivered independent judgments to the like effect.

The above judgment, as has been said, was the cause of the passing of an Act to provide for the regulation of trade unions and trade disputes (1906). It is there enacted that—

"An act done in pursuance of an agreement or combination by two or more persons, shall, if done

in contemplation or furtherance of a trade dispute, not be actionable unless the act, if done without any such agreement or combination, would be actionable."

It is, therefore, lawful for one or more persons acting on their own behalf, or on behalf of a trade union, or of an employer or a firm, to attend at or near where a person lives or works, or happens to be, when they so wait or attend merely for the purpose of peacefully obtaining or communicating information, or of peacefully persuading any person to work or to abstain from working.

If a person, in connection with a trade dispute, induces another person to break his contract of employment, that inducement is not actionable. Each person may dispose of his capital or of his labour as he wills. No action can now be taken against any trade union, whether of workmen or masters, or against any of the officials or members in respect of any tortious act alleged to have been committed on behalf of themselves and all other members of the trade union. This means that a trade union, as a trade union, can do no wrong or injury. The word "tort" means injury or wrong, such as assault, libel, malicious prosecution, negligence, slander, or trespass.

The above is a statement of the actual legal position prior to the outbreak of the Great War in 1914. Owing to the increasing number of trade disputes during the last six years, and more especially since the conclusion of the Armistice on the 11th November, 1918, it is difficult to see how some of the above statutes could be effectively put in force at the present time. The great aim nowadays is to bring about conciliation by means of various Government boards which are empowered to deal with matters concerning terms of service, hours of work, wages, etc. The condition of things is, from every point of view, far from satisfactory, but it is doubtful what efficient remedy is applicable so long as there is a spirit of unrest in existence (See INDUSTRIAL COURTS).

EMPLOYERS' LIABILITY ACT, 1880.—This Act was the first great inroad made into the common law doctrine that no employer could be held liable for any injury to one of his servants, unless it was proved that he had himself been personally guilty of negligence, and that such negligence was the actual cause of the accident. This was often very hard upon the servant, especially as he was further handicapped by the doctrine of common employment (*q.v.*). To a certain extent these doctrines were destroyed by this Act, which was passed, first of all, as a kind of experiment, its duration being limited to seven years; but it has since been kept in force year by year by being inserted annually in the Expiring Laws Continuance Act.

The following sections of the Act are given, as showing the liability imposed by it upon the employer—

"1. Where after the commencement of this Act personal injury is caused to a workman

"(1) By reason of any defect in the condition of the ways, works, machinery, or plant connected with or used in the business of the employer; or

"(2) By reason of the negligence of any person in the service of the employer who has any superintendence entrusted to him whilst in the exercise of such superintendence; or

"(3) By reason of the negligence of any

person in the service of the employer to whose orders or directions the workman at the time of the injury was bound to conform, and did conform, where such injury resulted from his having so conformed; or

"(4) By reason of the act or omission of any person in the service of the employer done or made in obedience to the rules or by-laws of the employer, or in obedience to particular instructions given by any person delegated with the authority of the employer in that behalf; or

"(5) By reason of the negligence of any person in the service of the employer who has the charge or control of any signal, points, locomotive engine, or train upon a railway, "the workman, or in case the injury results in death, the legal personal representatives of the workman, and any persons entitled in case of death, shall have the same right of compensation and remedies against the employer as if the workman had not been a workman or nor in the service of the employer, nor engaged in his work.

"2. A workman shall not be entitled under this Act to any right of compensation or remedy against the employer in any of the following cases, that is to say—

"(1) Under Sub-section 1 of Section 11 unless the defect therein mentioned arose from, or had not been discovered or remedied owing to the negligence of the employer, or of some person in the service of the employer, and entrusted by him with the duty of seeing that the ways, works, machinery, or plant were in proper condition.

"(2) Under Sub-section 4 of Section 1, unless the injury resulted from some impropriety or defect in the rules, by-laws, or instructions therein mentioned, provided that where a rule or by-law has been approved or has been accepted as a proper rule or by-law by one of His Majesty's Principal Secretaries of State, or by the Board of Trade, or any other department of the Government under or by virtue of any Act of Parliament, it shall not be deemed for the purposes of this Act to be an improper or defective rule or by-law

"(3) In any case where the workman knew of the defect or negligence which caused his injury, and failed within a reasonable time to give, or cause to be given, information thereof to the employer or some person superior to himself in the service of the employer, unless he was aware that the employer or such superior already knew of the said defect or negligence.

"3. The amount of compensation recoverable under this Act shall not exceed such sum as may be found to be equivalent to the estimated earnings, during the three years preceding the injury, of a person in the same grade employed during those years in the like employment and in the district in which the workman is employed at the time of the injury.

"4. An action for the recovery under this Act of compensation for an injury shall not be maintainable unless notice that injury has been sustained is given within six weeks, and the action is commenced within six months from the occurrence of the accident causing the injury, or, in case of death, within twelve months from the

time of death : provided always, that in the case of death, the want of such notice shall be no bar to the maintenance of such action if the judge shall be of opinion that there was reasonable excuse for such want of notice.

" 5. There shall be deducted from any compensation awarded to any workman, or representatives of a workman or persons claiming by, under, or through a workman in respect of any cause of action arising under this Act, any penalty or part of a penalty which may have been paid in pursuance of any other Act of Parliament to such workman, representatives, or persons in respect of the same cause of action, and where an action has been brought under this Act by any workman, or the representatives of any workman, or any persons claiming by, under, or through such workman, for compensation in respect of any cause of action arising under this Act, and payment has not previously been made of any penalty or part of a penalty under any other Act of Parliament in respect of the same cause of action, such workman, representatives, or person shall not be entitled thereafter to receive any penalty or part of a penalty under any other Act of Parliament in respect of the same cause of action."

The action is tried, either with or without a jury, in the county court, but there is a right of appeal to a divisional court, under certain circumstances, and a case may go afterwards, with leave, to the Court of Appeal, or even to the House of Lords. In Scotland, a case under the Act is heard in the Sheriff's Court, and in Ireland in the Civil Bill Court.

The Employers' Liability Act falls far short of the Workmen's Compensation Act, 1906, and cases under it are becoming fewer and fewer. In point of fact, there are many technical difficulties connected with the Act which require the most careful consideration, and unless the case is very clear it is not at all advisable to choose this method of procedure. But if it is chosen and fails, the injured workman is not necessarily deprived of some recompense, for if it is shown that he is entitled to compensation under the Workmen's Compensation Act, he may be awarded the same, though from the benefits accorded to him the expenses thrown away by the irregular process will be deducted.

(See the question of liability discussed under WORKMEN'S COMPENSATION.)

EMPLOYMENT EXCHANGES.—(See LABOUR EXCHANGES.)

EMPORIUM.—Places or receptacles in which wholesale merchants are accustomed to stow away their goods. Formerly applicable almost exclusively to establishments in seaport towns, the word gradually came to mean also the places of a similar kind in inland towns, and now it is often applied to a town itself which has a special trade in any particular kind of goods. The word is derived from the Greek, *emporion*, a trading place.

ENDIVE.—A plant of the same order as chicory. It is found wild in Britain, but requires special attention when grown for a salad.

ENDORSE.—(See INDORSE.)

ENDORSEMENT.—(See INDORSEMENT.)

ENDOWMENT.—When a sum of money is devoted or applied to a particular purpose, or when a fund is raised to provide for the maintenance of a charitable or other similar kind of

institution, the money is called an endowment, and it is upon the interest derived from the investment of the endowment that the purpose is carried out or the institution maintained. In addition, the word has come to signify a fixed sum of money, payable at the end of a certain number of years, in the event of a person surviving the given time.

Life assurance companies are now very favourably disposed towards what are called endowment policies. The premiums are only payable for a fixed number of years, if the assured lives for so long; whilst the amount for which the insurance is effected is payable at the end of a fixed number of years, or at death, whichever happens first.

ENDOWMENT POLICY.—(See ENDOWMENT.)

ENFACED PAPER.—The name given to the promissory notes of the Indian Government, bearing an announcement that the interest payable upon them can be collected by presenting the notes at the Bank of England. In the market these notes are generally known as "rupee paper." The interest is paid by drafts payable in India, but these are always readily bought at the current rate of exchange by money dealers and others, and are sold to persons who are desirous of sending out money to India.

ENFRANCHISEMENT.—The name which is applied to the methods by which copyhold land is freed from all its incidents and converted into a freehold estate.

Under the Copyhold Act of 1894 the lord of the manor or the tenant of copyhold land may, under certain provisions as to compensation, require it to be enfranchised. By enfranchisement the land is freed from all duties to the lord of the manor, and the owner henceforth holds it as freehold land. If the lord makes a legal conveyance in fee simple to the copyholder, the copyhold is extinguished.

By the Conveyancing Act of 1881 (Sec. 3, s. 2)—

"Where land of copyhold or customary tenure has been converted into freehold by enfranchisement, then, under a contract to sell and convey the freehold, the purchaser shall not have the right to call for the title to make the enfranchisement."

ENGLAND (ENGLAND AND WALES).—**Position, Area, and Population.** Eneland and Wales occupy the southern and larger portion of the continental island of Great Britain, which is situated on the Atlantic border of Northern Europe. Great Britain is, in reality, a high part of the partially submerged north western portion of Europe. The surrounding seas for many miles from the coasts are shallow, the bottom gradually sinking to a depth of about 600 ft (100 fathoms), beyond which there is usually an abrupt fall to depths of 6,000 ft (1,000 fathoms) and over. The shallow area on which the island rests is known as the Continental Shelf, and, from the evidence collected, must be considered as a portion of Europe which the sea has invaded. Proofs of the land connection of Britain with the Continent are many: The rocks of Britain show much similarity to those of the mainland; the native animals are the same, though fewer in species; around a great part of the coasts of England submarine forests are found; the bones of large land-animals, such as the mammoth and the rhinoceros, have been dredged from the North Sea; and in Glamorganshire, caves opening into vertical sea-cliffs contain the antlers of deer, and the bones of hyaenas and bears, suggesting that these animals

roamed in the forests which in past times occupied a large portion of the present Bristol Channel. Much of the Continental Shelf, whose western edge lies 100 miles west of Ireland, is near the surface. The greater portions of the North Sea on the east, the English Channel on the south, and the Irish Sea on the west have an average depth of less than 50 fathoms, while the Dogger Bank in the North Sea, which provides such an excellent feeding-ground for fish, rises to within 10 fathoms of the surface. Britain approaches the Continent most nearly at the south-eastern corner, where the narrow Strait of Dover (21 miles wide) forms the divide. The surrounding seas and the position of Britain between the 50th and 60th parallels of north latitude ensure for it a climate which encourages and necessitates energy and industry, and its situation near the centre of the land hemisphere gives it unrivalled advantages for sea-borne trade. In the past its insularity has made Britain impregnable when valiantly held, and its position has done much to encourage independence and initiative on the part of its inhabitants. The separation from the continent of Europe has also permitted of extraordinary development in trade when other countries were harassed with war and other troubles. This security arising from insularity has been much shaken by the invention of submarines and aeroplanes, and it remains to be seen how the new state of affairs will affect the general condition of the people of these islands.

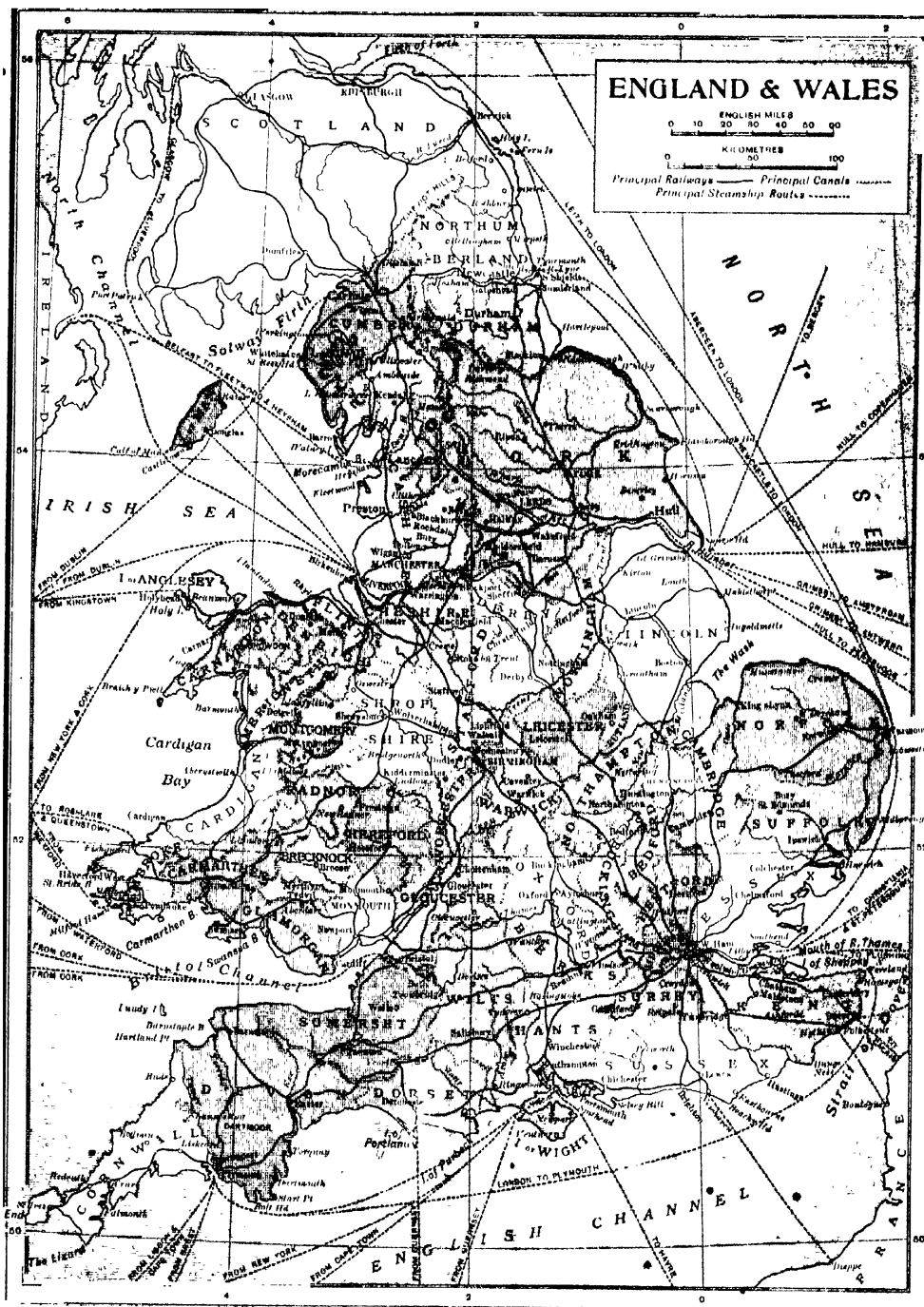
The short northern frontier of the peninsula of England and Wales begins in the west at the head of Solway Firth, runs up into the Cheviot Hills and eastward along their crest, and finally turns northward to the Tweed which it follows to the sea. Many border fights, some of far-reaching consequences (as at Flodden and Otterburn), were waged in the past between the English and the Scotch, the gateway of low ground beside the North Sea providing an easy inlet for offence to either race.

England has an area of about 50,871 square miles, and its population, in 1911, the date of the last census, was 34,047,659. (The next census is due in 1921, and any figures given throughout this article, so far as population is concerned, must be those based on the census of 1911.) Its high average density (approximately 670 to the square mile) is largely accounted for by its great mineral wealth, and the position the country has reached in industry and commerce. The area of Wales is approximately 7,460 square miles, and its population, in 1911, was 2,027,610. The comparatively low average density (270 to the square mile) is mainly due to the mountainous nature of the country, which is adverse to agriculture and easy communication.

In the present article the condition of things is considered, as far as possible, as before the war, and as many of them will be when the country has settled down once again. The mere temporary derangements are only touched upon incidentally.

Coast Line. The coast line of England and Wales (about 2,000 miles) is remarkably long for so small an area, comparing most favourably with the coast lines of other great maritime countries and giving to the British great aid in their commerce. In a very high degree the peninsula owes to the submarine plateau the currents and tidal undulations which have shaped its coasts, added to the value of its estuarine harbours, and increased the motive power of its shipping. Tides generated in deep

oceanic waters by lunar and solar forces are limited in their height in the open ocean, the rise and fall away from continental shallows being only 3 or 4 ft. Approaching the shores of Britain, however, the oceanic tides from the south-west strike the edge of the submarine platform, and pass suddenly into shallow waters, exhibiting along the coasts a rise and fall far greater than on the abysmal waters. Alternating tidal currents—the alternate drawing in and sending out of water—result from the rise and fall in shallow waters; and such currents are of great utility in moving shipping, and clearing the estuary passages of silt. Striking the Irish coast, the tidal wave splits into three portions, one penetrating the St. George's Channel, and another the English Channel, while the third follows the Atlantic border. Each of the three main waves subdivides when it meets an island; Southampton on the south coast thus receives four tides a day instead of two, the wave through the Spithead arriving about two hours later than that through the Solent. Exceptionally high tides occur in the Thames estuary, where the northern wave, after passing through the Pentland Firth, turns southward, and arrives at the mouth of the Thames just as a wave from the English Channel reaches the same region. The two waves coalescing cause the remarkably high tides. Twice a day, generally speaking, the tides convert the lower reaches of most of the British rivers into arms of the sea. Estuaries (like those of the Severn and Trent), presenting a gradually narrowing front, concentrate the tidal energy, producing a crest-fronted wave known as the bore on the Severn, and as the *Ægir* (eagre) on the Trent. The bore of the Severn is a difficulty to navigation, and a great disadvantage to the bridge-port of Gloucester. At Chepstow, the difference between high and low water at spring tides is 60 ft. The bottle-shaped estuary of the Mersey exhibits the reverse condition, strong currents flowing through the narrow entry convey the large quantity of water needed to fill the large basin beyond, and in their forceful passage scour the channel between Liverpool and Birkenhead, keeping it relatively deep, and lessening the amount of dredging, which would otherwise be necessary. At Portsmouth somewhat similar conditions are presented. The western coast is rocky and mountainous, and contains many drowned valleys, which form splendid natural harbours. Lack of productive hinterlands, however, hinders the rise of many of the Welsh ports. The chief harbours, Liverpool and Bristol, are situated on the flat lands, where communication with the interior is easy. Both face America, and carry on a large trade with that continent. On the east coast, Hull, on the Humber, and London, on the Thames estuary, are excellently situated for trade; but good harbours are few on this coast owing to the long, low, sandy reaches. There are many good harbours on the south coast, such as Portsmouth Harbour and Southampton Water, but communication inland is relatively difficult. Submergence of steep-sided river-valleys in the south-west has led to the formation of the fine harbours of Plymouth and Falmouth, whose economic utility is greatly lessened by the unproductive land behind them. It is interesting to note that the great back-to-back estuaries (the Mersey-Humber and the Severn-Thames) ensure no interior point being more than 70 miles from the sea. Some changes in the coast worthy of mention are: The destruction of parts of the eastern coast by the sea; the gradual silting of



the Wash by the deposition of the alluvium carried by its rivers and by deposited rock particles brought by tidal currents from the Yorkshire cliffs; the remarkable accumulation of shingle at Dungeness, much of which has accumulated since Roman times; the so-called Isle of Thanet, once separated from the mainland by a navigable channel, now silted up by the material deposited by the Stour; and the silting up of the Dee and the Solway Firth.

Build. North-west of a line drawn from the Exe to Whitby lie the true mountainous regions of England and Wales, and the mountains of old formations. In the extreme north the Cheviot Hills, composed mainly of volcanic rocks and granite, are separated from the Pennine Range by the Tyne Gap, which connects the Solway Plain with the coastal plain of Northumberland and Durham, and affords easy communication between Newcastle and Carlisle. Southward from the Tyne Gap to the Peak District in Derbyshire, a distance of about 120 miles, stretches the Pennine Moorland Range or Pennine Axis (often called "the backbone of England"), consisting of three series of strata—first and lowest, the Mountain Limestone; second, the later deposited Millstone Grit; and third, the more recent series of clays and flagstones, with seams of coal in places, which are known as the Coal Measures. The whole carboniferous series, many thousands of feet in vertical thickness, must originally have been laid down in nearly horizontal strata. Subsequently, mighty forces acting from east and west, caused the layers of rocks to form a great upfold striking north and south. The name, Pennine Chain, is a misnomer; it is, in reality, a high plateau with deep cut river valleys, separated by high moorlands. Denudation has removed the Coal Measures from a large part of the region, and even the Mountain Limestone has been laid bare along parts of the axis, but important coalfields still lie on the Pennine flanks at its four corners—on the north-east, the Northumberland and Durham; on the north-west, the small Cumberland coast; on the south-west, the Lancashire and Cheshire, and further south the North Staffordshire, and on the south-east the York, Derby, and Nottingham coalfield. The Range attains its greatest height in Crossfell (nearly 3,000 ft.), which overlooks the Eden Valley. The effects of the Pennine Range should be noted. It lies nearer to the west than the east coast, and, consequently, westward-flowing rivers are shorter and more rapid than those flowing eastwards; it acts as a condensing barrier to the moist Atlantic winds, and thus aids the cotton industry; its contained minerals, especially coal, are important factors in the manufacturing industries of the north; its slopes provide good pasturage for sheep, and largely aided the Yorkshire woollen industry in its infancy; its streams supplied water power in past ages, and may again be utilised as motive power; its disadvantage as a barrier separating two the highly populated regions is, to a great extent, overcome by the gaps (notably the Tyne Gap across which the Roman Wall extends, and the Aire Gap utilised by the Midland Railway), and by the trans-Pennine railway routes [Littleborough (1½ miles), Standedge (3 miles), Woodhead (3 miles), and Cowburn tunnels (2 miles)]; it provides ample water for drinking and dyeing purposes for many industrial towns, and its karst type of scenery and mineral springs in Derbyshire has caused the growth of such inland resorts as Buxton and Matlock.

Along the north-west of the Pennine Range a

great fracture or fault has resulted in a steep fall to the Eden Valley, with its preserved soft rocks, beyond which rise the volcanic mountains of the Lake District (the lofty Cumbrian Group). The Cumbrian mountain mass is somewhat dome-shaped, and from its main east and west axis radiate glaciated and river-cut valleys, whose upper ends are filled by lovely lakes (Windermere, Ulleswater, Bassenthwaite Lake, and Wastwater). The rocks are of older formation than the Cheviots, and consist of great masses of slates (Skiddaw slate and Borrowdale slate). Three peaks rise to heights of over 3,000 ft.—Scafell (3,210 ft.), the highest mountain in England; Helvellyn (3,118 ft.); and Skiddaw (3,058 ft.). The depression of Shap Fell (1,000 ft.) connects the Cumbrian and Pennine Mountains, and forms part of the "West Coast Route" to Scotland. Bold mountains, beautiful lakes, and the association of the region with the Lake poets make the Lake District a favourite holiday resort. Its economic utility lies in its suitability to the pastoral industry, the supplying of water to large industrial towns (Thirlmere to Manchester), the mining of lead and zinc, and the quarrying of slate.

Wales is essentially a dissected plateau, composed of hard rocks mostly of the same age as those of the Southern Uplands, but in some districts rocks of still greater age are found. The greatest heights occur in the north-west, where a ridge runs from Great Orme's Head south-westwards towards the Llyn peninsula, and culminates in Snowdon (3,570 ft.). The rocks exhibit evidence of extensive glacial action during the Great Ice Age, and erratics are found in the Pass of Llanberis. Glacial lakes occur, some such as Bala Lake owing their origin to the damming up of a valley by great mounds of erratics. Artificial lakes have been formed in recent years by the damming up of tributaries of the Severn (Lake Vyrnwy, from which Llanerddog obtains its water supply) and Wye (Lake Elan and Lake Claerwen, from which Birmingham gets its water supply). In South Wales the old hard rocks give place to a great basin of coal-bearing rocks, the rim of which is broken through on the west by the sea. North of the coal-bearing rocks lie the high Black Mountains and the Breconshire Beacons formed of old red sandstone. Points of interest are the difficulties to communication; the small areas suited to agriculture, the obstacles to unity as a nation; the lack of a natural centre (Shrewsbury, in Shropshire, is often chosen as a meeting-place); the economic wealth of the southern coalfield; the plentiful water power which may become of prime importance; the sparse population over most of the region; and the excellent slates found in the northern ridge.

The peninsular region of Cornwall and Devon contains the Devonian System, which includes Exmoor in the north, formed of slates, grits and limestone; Dartmoor, south of the Plain of Devon, a granite mass with huge oblong blocks, occasionally conical called tors (Great Links Tor, 2,039 ft., and Yes Tor, 2,028 ft.), and four other granite areas—Bodmin, St Austell, Redruth, and Land's End. The folding crosses the land diagonally from east to west, and the south-westerly lie of the peninsula is due in the main to the series of granite bosses, Land's End and the Scilly Isles representing outlying resistant masses. Slates in the neighbourhood of the granite are traversed by veins containing ores of tin, copper, lead, and zinc, which are still

mined, but the output has greatly diminished. China clay (kaolin), formed by the weathering of the granite, furnishes valuable material for the making of porcelain and certain kinds of paper. For pastoral and agricultural purposes the moors are of small importance.

Rocks of old formations occur in the volcanic district of Charnwood Forest, in Leicestershire; in the Quantock Hills, flanking the Somerset Plain; in the Mendip Plateau, which recalls the Pennine Moors in structure and appearance; in the Cambrian Malvern Hills, in Cannock Chase; in the Lickey and Clent Hills; and in the Wrekin district and Longmynd ridge of Shropshire. Coal-bearing rocks appear in North Wales; at Ashby, in Leicestershire; in Warwickshire, between Tamworth, Nuneaton, and Coventry; in South Staffordshire, extending from Cannock Chase through the Black Country; in Shropshire, where they lie up against the older rocks of Wales; in the Plateau of the Forest of Dean, a true geological basin, surrounded by older rocks; and in the Bristol basin.

East of the Devonian System and the Cambrian Mountains, and south and east of the Pennine Plateau, lies the lowland plain of England, an area approximately one-third of that of Britain. It exhibits a very varied accumulation of newer rocks and is diversified by a few isolated hills of somewhat considerable elevation, and by ridges of moderate relief running north-eastward and eastward. The Jurassic Escarpment formed of a yellowish limestone largely composed of little egg-shaped grains (oolitic), curves across England from Cleveland in the north to the Cotteswolds in the south-west, rising to moderate heights in the Cleveland Hills, North York Moors, Lincoln Edge, Northampton Uplands, Edge Hill, and the Cotteswolds, and presenting a steep escarpment on the west and a gentle dip eastward and south-eastward. Railways cross the ridge by river valleys, and by tunnels through the actual watershed. Among the economic products of the region are building stone and iron. From Flamborough Head to West Dorset runs the Cretaceous (chalk) Escarpment, forming the Yorkshire Wolds, Lincolnshire Wolds, East Anglian Heights, Chiltern Hills, Marlborough Downs (White Horse Hills) and Dorset Heights. A third ridge starts from Salisbury Plain (in reality a plateau), bifurcating to form the North and South Downs which are separated by the Wealden sands and clays, the dome-shaped chalk mass once overlying the Weald, having been weathered and washed away. Probably the chalk dome extended in past times from England into France, seeming essentially part of the broader chalk country of north-western Europe. Chalk, lime, building-stone, flint, and Fuller's earth are the chief economic products of the chalk formations.

The region known as the "Midlands" of England is, on the whole, a great red plain, whose rocks are composed of new red sandstone and red marl, which are covered in places with glacial deposits. Ease of communication is a notable feature of the plain, and important railway lines traverse it. The Midland Gate, lying between the south-west of the Pennine Range and the Shropshire Hills, has been important in all periods of history. Coal, fireclay, and salt are found, and the decomposition of the rocks has resulted in very fertile soils, so that this region is important agriculturally.

Recent formations occur in south eastern England in two isolated basins in the wide spreading sheet of

chalk—the London Basin and the Valley of the Thames, with the coastal districts of Norfolk, Suffolk, and Essex representing a continuation; and the Hampshire Basin and the Isle of Wight. The young, low-lying plains of the Fen country round the Wash has its clays buried in parts beneath flats of alluvium and peat, but drainage has reclaimed some districts. In Suffolk, Norfolk, and Essex boulder clay is found in relative abundance, and the Crag formations (strata of shelly sand) rest unconformably upon the London Clay and the chalk. The London and Hampshire Basins have central areas of clays and sands, and are bounded by chalk downs on the north and south. Sandy heaths rise amid the clays, such as Hampstead and Bagshot Heaths. Clays for brick-making, sands for glass-making, phosphatic sands for manures, and limestones for cement-making are among the chief industrial products. Important supplies of water are obtained by sinking artesian wells into the chalk lying below the London clay.

To farming interests, the fertile Vale of York, the broad Oxford Clay Vale, the red sandstone, agricultural and pastoral Cheshire Plain, the fruitful Severn Valley, the worn-down Isle of Anglesey, and the extensive corn-growing Eastern Plain are of great importance.

England and Wales contain numerous rivers, many of which are navigable for a considerable distance into the country, and though traffic at the present time on the rivers (except in their tidal reaches) is not great, they have added to the commercial importance of Britain, and rendered aid in the construction of the network of canals. The position of the uplands naturally results in the most important eastern rivers, exceeding the western in length, the only apparent exception being the Severn, whose head waters, however, assume an eastern direction. Commercially, the four most important rivers are the Thames, the Mersey, the Yorkshire Ouse, and the Severn. The Cotteswolds bear the head waters of the Thames (215 miles), whose drainage area, one-fifth of that of England, is in the main a chalk region. Converging upon Oxford, the combined streams take a south-easterly direction to Reading through the Thames Gap in the chalk escarpment (a river-worn passage), from whence the Thames takes an easterly course to the sea. On the left bank, the upper Thames receives the Windrush and Cherwell from the limestone ridge; while the lower Thames receives the Colne and Lea from the cretaceous Chilterns. On the right bank the Kennet, flowing from the White Horse Hills, and the Wey, Mole, and Medway coming from the midst of the Weald, join the parent stream. The river valleys and "wind" gaps in the bordering uplands are utilised by the railways radiating from London. For barges, a complete waterway across England is provided by the Thames, and the Thames and Severn, and Kennet Avon Canals. The wide estuary (drowned valleys), the high tides enabling large vessels to reach London Bridge (50 miles from the Nore, which artificially marks the seaward end of the Thames), the ease of communication inland, and the convenient position for commerce, account largely for the rise of London and its outports. On the west, the Severn (240 miles) is remarkable for its very high tides, its rapidity, its wide estuary, and the meanderings in its course. It rises in Plynlimmon in North Wales, and after a course of 35 miles, emerges on the Plain of Shropshire. Near Coalbrookdale it passes through a narrow gorge



and enters the Worcester Plain, finally broadening out into the Bristol Channel. Among its tributaries, the Wye is noted for its scenery (limestone gorges); the Warwickshire Avon for its character as a sub-sequent river; and the Bristol Avon for its deep and narrow gorge across the dolite ridge, and the gorge at Clifton through the limestone rim of the Bristol coalfield. The Severn is navigable for barges up to Welshpool, and by the aid of the Ship Canal from Sharpness to Berkeley large vessels can reach the bridge-port of Gloucester. The rivers Swale, Ure, Nidd, Wharfe, Aire, Calder, Don, and Derwent, spreading out in fan-like form, are intercepted by the Yorkshire Ouse, and carried southward in a channel parallel to the Jurassic and Cretaceous Escarpments of Yorkshire. Together, the Ouse and the longer Trent form the Humber estuary. Throughout its length, the Ouse is navigable for barges, and canals connect it and its tributaries with the Lancashire rivers, making complete water communication between the east and west. The Mersey flows from the Pennine Range into a bottle-shaped estuary, receiving on its way the Irwell and the Weaver. Its position facing America, and the great docks at Liverpool make it one of the most important shipping rivers of the world.

Other rivers of commercial importance are the Tyne, Wear, and Tees, flowing through rich mineral regions, and the subsequent Trent providing communication with the Midlands. The Dee and the rivers of the Wash are now chiefly of historic interest; the amount of silt deposited at their mouths, and the lack of great populations in their drainage areas have led to their decline. All the southern rivers and the purely Welsh rivers are short, and flow, as a rule, through comparatively sparsely populated regions.

Climate. The British climate is more equable than the climates of countries in the same latitudes on the European mainland. No great extremes of temperature occur, no areas lack sufficient moisture for ordinary agricultural pursuits, but everywhere the oceanic climate encourages industry, and promotes a virile race. To its climate, though often condemned for its humidity and variability, Britain owes much of its prosperity in industry and commerce. The peninsula lies in the track of the moist westerly Atlantic winds, which, meeting mountain barriers on the west, are deflected upwards. The consequent expansion of the air results in cooling, which leads to the deposition of a heavier rainfall on the western area than on the eastern, where compression, in descending, increases the vapour-holding capacity of the air. Dryness to leeward of mountains has been termed their rain-shadow, and, notwithstanding the low elevation of Britain's uplands, and the fact that much of the rainfall is due to cyclonic influence, rain-shadows to eastward and north-eastward of the western mountain masses are clearly evident. Anti-cyclones, tending to produce drought, are not uncommon in the east, either in summer or winter; and hence there is a double reason why the east of the country is drier than the west. In the Lake District the annual rainfall ranges from 60 to 80 in.; in Wales from 40 to 80 in.; in Cornwall and Devon from 40 to 60 in.; and in Lancashire from 30 to 40 in. Over most of the English Plain the annual rainfall averages 25 to 30 in., though an area round the Wash and a part of Essex receive a fall of 20 to 25 in. only. The rainfall is well distributed throughout the year, but the maximum occurs in autumn and winter. Oceanic

effects are remarkably exhibited in the temperature conditions of summer and winter. Summer isotherms run in a roughly east and west direction, but there are marked irregularities. Near the sea they tend to bend southwards, while inland the tendency is northwards. Water has a greater specific heat than land, and thus exercises a cooling effect in summer and a heating effect in winter. In winter the isotherms run north and south, latitude having little influence. Winter warmth is not due directly to the sun's rays, but to the winds coming from more southerly latitudes over a relatively warm ocean, and the rain warmth (latent heat) set free by the deposition of frequent rains. The western areas have the more equable temperatures (extreme West: January—44° F., July—61° F.; extreme East: January—38° F., July—62° F.), the eastern areas experiencing more continental characteristics. Drier air, warmer summers, and suitability of soils make the eastern region agricultural, while the wetter west is pastoral.

Soils. Many types of soil occur in England and Wales, some of which are remarkable for their fertility, but the pressure of population on the means of subsistence necessitates great skill and care in agriculture, and intensive scientific farming is highly developed. If the country depended mainly on agriculture, the mountainous western tracts and the chalk hills and downs, with their poor soils, would tend to keep down the average density of population (7 per cent. of the area of England and 28 per cent. of Wales are classed as "Mountain and Heath"). Excellent soils for the dairying industry are the New Red Sandstone of Cheshire, the Old Red Sandstone of Hereford, the Liass Clay, and the river alluvium and New Red of Devonshire. The southern portion of the Eastern Plain contains soils of unusual fertility, owing to the intermixed limestone, sand, and clay, the clayey loam thus formed is very favourable to wheat production. For fruit production the Old Red Sandstone of Hereford and the Wealden clays and sands give excellent results. Soils overlying the glacial deposits in East Anglia are usually very fertile, the sandy loams of Norfolk giving high yields of barley. The Plain of York, crossed by great moraines, has glacial deposits and alluvium covering the New Red Sandstone, and is a rich agricultural district. Other good soils are the alluvium of the meanders of the Trent, the drained alluvium of the Fen district, the dolite valley soils, the sands and clays of the centre of England, and the loamy soils of the London Basin. Poor soils used for pastoral purposes are the thin soils of the dolite ridges, the igneous soils of the western mountains, the dry chalk and limestone soils of the uplands, and the soils of the greater part of Wales.

Productions and Industries. The growth and character of English industries and commerce from the period known as the Middle Ages, to the present time, provide an interesting study. In mediæval times, England occupied a lowly place in commerce in comparison with the trade of the Hansa merchants. Her manufactures were surpassed by those of Flanders and the Italian cities, and her chief reliance was placed on the pastoral industry, wool figuring largely in her exports. Home manufactures began to develop after 1331, when Flemish weavers, dyers, and fullers came over from Flanders, and, under the protection and patronage of Edward III, settled in England, and taught the English their arts. The commencement of the rise to the great maritime and commercial position that England

now holds may be said to date from the reign of Elizabeth. Attempts were then made to establish colonies in North America, and a notable victory was secured in the defeat of the Spanish Armada. In the last decades of the sixteenth century and the early decades of the seventeenth century large trading companies were formed, notably the East India Company and the Levant or Turkey Company. The great Industrial Revolution of the latter half of the eighteenth century and the early part of the nineteenth century resulted in England becoming a great manufacturing country, and from this period the rise of democracy has been great. Domestic manufactures gave place to the factory system, farming became scientific, means of transport were greatly improved, the north greatly increased in population, and the shipping trade doubled. Discovery of new lands, and struggles with the Dutch and French led to the acquiring of large colonies and dependencies, and the freedom from the devastating effects of Napoleonic wars gave a great momentum to the industries and commerce of the country. Noticeable features of recent years are the growth of British influence in Africa; the keen competition with foreign countries, especially Germany and America, prior to the outbreak of the Great War in 1914; the agricultural depression of the last quarter of the nineteenth century, resulting from the invasion of cheaper farm products from the new countries of the world (Canada, the United States, and the Argentine), the depopulation of rural districts (a problem now seriously engaging the attention of the Government); the great development in steamships, the growth of commercial and technical education, and the efforts made to establish a closer union with the Colonies. The true effects of the Great War cannot yet be realised, and it remains to be seen what developments will take place in the next few years.

Agriculture If industries are taken singly, agriculture still takes the lead in England as regards the number of workers. A very high stage of development has been reached in agriculture, as is evidenced by the very high crop yields (30 to 35 bushels per acre of wheat) under the intensive system of farming prevailing. The repeal of the Corn Laws and the consequent invasion of British markets by American grain have led to a great decline in cereal farming, and though recently the grain area has shown a tendency to increase, Britain will continue to rely largely on imported cereals. Of the total land area, 18 per cent. of England and 18 per cent. of Wales are under corn crops; and 17 per cent. of England and 11 per cent. of Wales are under green crops (potatoes, root crops, and rotation grasses). Of course there was a large increase of the land under corn crops after the passing of the Corn Production Act, 1917. Climatic and soil conditions largely limit the agricultural tracts to the lowlands of the English Plain, and cereal growing to the eastern and south-eastern lowlands. Wheat, the most important bread product, requires for its best development a moist growing period and a warm, dry ripening period with much sunshine, and flourishes best (except macaroni varieties) on clayey loams, conditions partly fulfilled in the Lower Thames Valley, Essex, Norfolk, Suffolk, Lincolnshire, Cambridge, Yorkshire, and the Vale of Taunton. Only about one-quarter of the wheat consumed is home-grown, and winter varieties predominate. English wheats are usually soft grained, and it is only in exceptional breeds, such as the lately introduced Canadian

Fife, that the grain is hard and of a high gluten content. Oats are grown to a greater extent and over a wider area than wheat, as the crop is less exacting as regards both soil and climate. Barley can endure a greater amount of moisture and lower temperatures than wheat, and is widely distributed; but the mixed clay and chalk soils of the Midlands have the largest production. Rye is grown to a limited extent as a green food, and maize, with its exacting climatic conditions, does not mature in South Britain. Root crops are important for winter feed for cattle and sheep, and the introduction of turnips and mangolds in the latter half of the eighteenth century caused a small revolution in the pastoral industry. Turnips are grown in large quantities in Norfolk, Suffolk, and Yorkshire; and beet-growing is increasing in the Eastern Counties. Potatoes are widely grown, flourishing in the moister west, and reaching high perfection in Lincolnshire and Yorkshire. Fruit-growing on a commercial scale (mainly apples, pears, strawberries, gooseberries, cherries, and plums) is practically confined to Hereford, Worcester, Devon, Somerset, Gloucester, Cambridge, Middlesex, and Kent. The production of hops in Kent, Surrey, Hereford, and Worcester, and of peas and beans in Suffolk and Lincolnshire are important. Market-gardening is largely pursued round all the large cities, and in the Channel and Scilly Islands. Some interesting modern developments are the attempts made to determine the best constants for the growth and ripening of cereals; the efforts to improve the quality of English wheats; the endeavours to secure more co-operation in farming, and better transportation facilities for the marketing of farm produce; the growth of farm allotments; and the increase in mixed farming caused by pressure of population, favourable climatic and soil factors, and the small possibilities of division of labour.

The Pastoral Industry. Pasture grass is the characteristic crop of all South Britain, but its greatest luxuriance is attained in the lowlands of the west and north, where moisture conditions are most favourable. In England 48 per cent. of the land area and in Wales 65 per cent. (including the mountain and heath areas) are devoted to grazing. Regions whose elevations are 1,000 ft. and over, and those where the annual rainfall is 40 in. and over, are, in the main, beyond the limit of successful agriculture in Britain, and are chiefly devoted to the pastoral industry. Wales has not only the greater percentage of grazing land, but has also more sheep and cattle per 1,000 acres than England. (Wales: Cattle, 150, sheep, 696; England: Cattle, 144, sheep, 490.) Cattle are most numerous in the Midlands, Cheshire, Lancashire, Somerset, Hereford, Pembroke, Anglesey, and Carmarthen. On the sandstone soils of Cheshire and Devonshire, and in the mild climate of Jersey, Guernsey, and Alderney cattle yield excellent cream and milk; while on the Lias clay of Somerset, Gloucester, and Leicester, and on the red Cheshire Plain, the finest cheese (Cheddar, Double Gloucester, Cheshire, and Stilton), is produced. The supplying of milk to the urban areas is of prime importance, and is carefully regulated. Among famous breeds of cattle are the Shorthorns, noted for their beef and milk; the Longhorns of the Midlands, the East Anglian polled, the Devon, and the Jersey, for their milk; and the long-horned Welsh and Hereford for their beef. Sheep, so important to England in mediaeval times, are still

found in large numbers on the uplands, and are more common on the drier east than the wetter west. On the steep hillsides of the west they are reared for their mutton, whereas those on the eastern uplands are bred for both wool and flesh. Famous breeds of sheep are the long-woolled Romney Marsh, Lincoln, and Leicester; the short-woolled South Down, Dorset, Wiltshire, Hereford, and Shropshire; and the thick-woolled Cheviot and black-faced Welsh. Welsh, Dartmoor, and Exmoor mutton is of excellent quality. Horses are reared mainly in the drier parts, notably on the carboniferous limestone of Yorkshire. The Fen district is noted for Shire horses; Norfolk, Cambridge, Huntingdon, Lincoln, and Yorkshire for hackneys; Suffolk for its cart-horses; Yorkshire for its carriage horses; and Wales, Dartmoor, Exmoor, and the New Forest for hardy ponies. Pigs are found on most farms, but most are reared in the eastern and northern counties. The chief breeds are the Large, Middle, and Small White; the Small Black of Suffolk and Essex; the Black Berkshire; and the Red Tamworth. It should be noted that England has 16,000,000 sheep and 5,000,000 cattle (approximately), while Wales has 3,600,000 sheep and 900,000 cattle (approximately); that only a very small percentage of the land area is not of some economic utility (agricultural, pastoral, mining, or forest); that rotation grasses and root crops are of great aid in the winter feeding of cattle; that breeding is on a scientific basis; and that the dairying industry is becoming more organised.

Forestry. It is difficult to imagine that in primitive times Britain was almost continuously clothed with forest. Only 5 per cent. of England and 4 per cent. of Wales are now forested. Clearings for agriculture and the pastoral industry, the use of timber for building purposes, and the smelting of iron with charcoal largely account for the small wooded area. The largest existing forests are the New Forest in Hampshire (400 square miles), Dean Forest in Gloucestershire (150 square miles), Windsor Forest in Berkshire, Epping Forest in Essex, Sherwood Forest in Nottingham, the Forest of Arden in Warwickshire, and the remnant of the Weald between the North and South Downs. Afforestation is now receiving attention and several comparatively barren tracts have recently been planted with trees. Deciduous trees—oak, beech, elm, alder, maple, poplar, and sycamore—are common on the plains and fertile lands, while the coniferous firs and pines and mixed types prevail on the hilly tracts and mountain valleys. Little English timber is utilised, careful conservation being practised, and reliance placed on foreign supplies.

The Fishing Industry. The temperate shallow seas round Britain are prolific in demersal fishes (sole, plaice, whiting, haddock, turbot, brill, and cod), and in pelagic species such as the herring, mackerel, sprat, and pilchard. Conditions of light, temperature of the waters, and the pastures of the sea (planktonic animals and plants) are highly favourable to fish life. Life in the sea is now the subject of much earnest research, and results will doubtless follow which will be highly valuable to the fishing industry, especially in connection with the migratory habits of certain fishes. Fisheries are pursued off all the coasts, but the North Sea is the most important area. From Hull, Whitby, Grimsby, Yarmouth, Harwich, Lowestoft and Ramsgate steam and sailing trawlers seek the North Sea

banks (Dogger, Silver Pits, Long Forties, and Well Bank), and "carriers" convey the hauls to the ports, whence fast trains carry them to the industrial centres. The trawl brings up flat fish (flounders, soles, plaice, halibut, and turbot) and cod, haddock, hake, and ling, which feed at the bottom of the sea in shallow waters. Brixham, Penzance, Plymouth, and St. Ives are trawling centres for the southern and south-western fisheries. The plankton feeders—herring, mackerel, and pilchard—are caught in drift nets. An important herring fishing ground is that off the coasts of the Isle of Man, and fishing fleets from Douglas, Peel, Liverpool, Southport, Blackpool, Fleetwood, and Whitehaven resort thereto. Herrings are caught also off the coasts of Norfolk, off Hastings, and off the coasts of Devon and Cornwall; pilchards off the coasts of Devon and Cornwall; sprats at the mouth of the Thames and off the Goodwin Sands; lobsters on the reefs round Jersey, and off the coasts of Devon and Cornwall; prawns on the coasts of Kent and Sussex; mackerel in the English Channel, shrimps in the Wash; oysters from the artificial beds at Burnham-on-Crouch, Colchester, Faversham, Milton, and Whitstable; and whelks at King's Lynn and Great Grimsby. The salmon fisheries of the rivers Eden, Severn, Dee, Tees, Taff, Towy, Usk, and Derwent are of minor importance. Points of interest are the migration of the cod into British waters in winter, and the herring in summer and autumn, the great number of fishermen employed (40,000); the excellent trawling ground for the Navy; the ease of the East Coast in obtaining salt, barrels, and ice for fish-preserving (haddock, London, and bloaters, Yarmouth and Lowestoft); and the fact that Billingsgate is the largest fish-market in the world.

Hunting. Grouse and partridge shooting, and fox-hunting, are favourite pursuits of many English gentlemen; and Chillingham Park still preserves a few wild animals.

The Mining Industry. Minerals have been, in all ages, of prime importance in determining the distribution of man and his settlements; their attraction is strong even where climatic disadvantages are great or communications small. To her great mineral wealth, especially in coal and iron, England must largely attribute her present world position of power. The early utilisation of coal gave England a long lead over Continental nations, and led to the localisation of industries, better communications, expanding markets, and the acquiring of colonies. Against the advantages in mining comprised in the wealth of minerals, the skill and energy of the workers, the abundance of capital, the excellent communications, and the employment of the best machinery must be placed the disadvantages of the long period of working the mines [the action of the "Law of Diminishing Returns" (*q.v.*)] the comparatively thin and sloping seams (coal), the depth of the mines, and the competition of newer countries. England, nevertheless, ranks among the foremost mining countries, and if steam power in the future becomes largely displaced by electric power, the tides and the numerous streams of the mountainous west will render great aid. Scientists seem agreed that the coal supply will not last for much more than a century and a half, unless some mechanical invention shall make it possible to obtain the mineral from much greater depths, or the supply shall be carefully conserved. Possibly before that time elapses, a revolution in industry will

have taken place, and electric energy, which is now making for itself a place, will be the great motive power.

By far the greatest source of non-metallic wealth is coal. Before the war over 260,000,000 tons were raised annually on the coalfields of Northumberland and Durham, Whitehaven; Lancashire, and North-East Cheshire, York, Derby, and Nottingham, North and South Staffordshire; Warwickshire, Worcestershire, Coalbrookdale; Ashby-de-la-Zouch, North Wales (Flint and Denbigh); South Wales (Taff and Rhondda valleys); and the Forest of Dean, and Bristol and Somerset (outliers of the South Wales coalfield). The steam coal of South Wales is of great importance to warships and steamers, and some authorities are of opinion that the output should be materially restricted. Coal is known to exist in Kent at great depths, and may be utilised in future. (The output of coal was much affected by the absence of large numbers of miners on active service, and also by troubles which arose after the war.) Iron is the chief source of metallic wealth, though much is imported from Sweden (very pure magnetic or black ore) and Spain (Bilbao). The chief iron fields are the Cleveland District of Yorkshire, with Middlesbrough as the centre (clay ironstone); the Furness District of Lancashire, with Barrow as the centre (red hematite), the South Wales (brown hematite of Ebbw Vale, Sirhowy, Rhymney, Tredegar, Dowlais, Merthyr, and Abertawe), the Sheffield, Rotherham, and Lowmoor districts of Yorkshire; the Staffordshire (Wolverhampton and Wednesbury), the North Wales (Ruabon); the Northampton (brown hematite), the Lincolnshire (siliceous ironstone), and the Forest of Dean (brown hematite). Cornwall and Devon (Camborne, Illogan, and Penzance), renowned for their tin in Phœnician times, still yield fair returns, but mining is declining, and the ore is supplemented by supplies from the Malay Peninsula and Islands, Bolivia, and Tasmania. Copper, in decreasing quantities, is mined in Cornwall and Devon, and North Wales. Slate is obtained in Cornwall, North Wales (the Festinog, Llanberis, Bethesda, and Penrhyn purple slates), Cumberland (the Tilberthwaite green slates), Lancashire, and the Isle of Man, granite for engineering and building purposes, and road metal in Leicester, Carnarvon, Cornwall, Devon, Cumberland, Anglesey, and Shropshire, Fuller's earth at Reigate, and near Redhill; salt in Cheshire (Northwich, Nantwich, Middlewich, Winsford, and Sandbach), Staffordshire (Weston), the Cleveland District, Worcestershire (Droitwich and Bromsgrove), and Durham; lead (as silver-lead ore) in Flint, Denbigh, the Isle of Man, Durham, Northumberland, Westmorland, Derbyshire, South Wales, and Cornwall; china clay (kaolin) in Devon (the Tamar basin); fireclay at Stourbridge in Staffordshire; marble in Derbyshire (fossil marble), Devon (Plymouth), and Anglesey; pipeclay in Devonshire; millstone grit in the Pennines; gold in minute quantities in Wales; coarse clay in the Potteries; brick clay in the Thames basin (London stock bricks), Staffordshire (blue bricks), Hampshire (Fareham red bricks), Kent, and Hertford (Gault bricks); building stone (oolitic) at Portland and Bath, and in Rutland and Lincolnshire; limestone for iron-smelting and building purposes in Carnarvon, Cumberland, Derbyshire, Durham, Dorset, Lancashire, Somerset, Wiltshire, Gloucester, and Yorkshire; chalk for

manure and building purposes in Kent, Surrey, Essex, Hampshire, Sussex, Bedford, and Lincolnshire; gypsum at Chillaston, near Derby; chert in Flint and the Peak District; flint in the Chalk Uplands; sandstone for building and engineering works and paving in Yorkshire, Gloucester (Forest of Dean), Derbyshire (Darley Dale), and Nottingham (Mansfield); and zinc in North Wales, Northumberland, Cambridge, Derbyshire, the Isle of Man, Cardigan, and Denbigh.

The Manufacturing Industries. Industrial England lies mainly westwards and northwards of a line drawn from the mouth of the Severn to the Wash. Specialisation, especially in the textile and iron industries, and great market development shown by the grading of products are distinguishing features of British manufactures. Among the numerous advantages for industrialism are the wealth of minerals, the excellent communications, the inherited skill of the workers, the enlightened Government, the old-established and abundant markets at home and abroad, the availability of capital, and the favourable climatic factors. Raw materials for manufactures are, of necessity, largely imported, but water carriage and the short distance of manufacturing districts from the sea are compensating factors.

Of the textile industries, cotton is king, and is found localised in Lancashire and North-East Cheshire. The industry is old, but may be said to have become of prime importance during the Industrial Revolution. Its advantages are the moist climate, the coal and iron near at hand, the excellent communications, the possession of the port of Liverpool, the impetus given at the time of the Napoleonic wars and the retaining largely of the hold then gained, the skill of the operatives, the fine water supply, and the ease of obtaining raw material. Specialisation is great: Oldham (coarse counts), Bolton (fine counts), Rochdale, Ashton, and Stockport are engaged in spinning; and Preston (fine), Burnley (coarse), Bury, Blackburn, and Accrington in weaving. Manchester, owing to its position at the convergence of land and water routes, is the marketing centre, and since the construction of the Manchester Ship Canal it has become of more importance as a receiving and distributing centre. Other cotton towns are Colne, Chorley, Darwen, Leigh, Salford, Heywood, Nelson and Haslingden in Lancashire; Glossop in Derbyshire; and Stalybridge and Hyde in Cheshire. Cotton lace and hosiery, which demand a large amount of labour and only a moderately moist climate, are manufactured at centres more inland (Nottingham). The woollen industry is found chiefly in the West Riding of Yorkshire and in the West of England. Local supplies of wool have largely to be supplemented by supplies from abroad, but the fine pastoral uplands, the pure water supplies, and the coal near at hand still foster the industry. The chief centres in Yorkshire are Leeds (the chief market, noted for its clothing), Bradford (worsted), Dewsbury and Batley (shoddy), Huddersfield (broadcloths), Saltaire (alpaca), Morley, Halifax, Wakefield, and Heckmondwike. In the West of England, Trowbridge, Bradford-on-Avon, Frome, Stroud, and Westbury are noted for their broadcloths. Carpets are made at Kidderminster (Brussels), Rochdale, Halifax, Walton, and Witney; woollen hosiery at Leicester; blankets at Dewsbury, Wakefield, and Witney; and flannels at Rochdale, Halifax, Welshpool, Newton, Montgomery,

and Dolgelly (Welsh mountain sheep). The iron industry originally had its centres in the Weald and the Forest of Arden, where charcoal was easily obtainable; now the chief localities are on or near the coalfields, and limestone for a flux and gannister for the converter lining are usually found in the iron districts. Iron smelting is carried on in the Cleveland District (Middlesbrough), the Furness District (Barrow-in-Furness and Dalton-in-Furness), Yorkshire (Leeds, Rotherham, Lowmoor, and Sheffield), South Wales, and the Black Country. Tin and zinc plate manufactures, and copper smelting are characteristic of South Wales. Cardiff, Swansea, Llanelly, Newport, Neath, Merthyr Tydvil, and Aberdare are among the chief centres. The towns of the Black Country specialise in iron articles demanding a large amount of labour in proportion to the cost of the material; freight rates are the consideration. Wolverhampton (locks), Cradley Heath (nails and chains), Redditch (needles), Coventry (cycles), Walsall (saddlery), Bilston (enamelled ware), West Bromwich (gun-barrels, locks, and safes), Wednesbury (keys and edge tools), Bromsgrove (nails and buttons), Smethwick and Dudley are noted centres. Birmingham, lying outside the Black Country, is the great centre of the Midlands' iron industry, and is noted for all kinds of iron goods from a needle to a steam-engine. Command of traffic has led to the manufacturing of engines and railway carriages (coal and iron are often near at hand) at Darlington (N.E.R.), Crewe (L. and N.W.R.), Eastleigh (S.W.R.), Stratford (G.E.R.), Doncaster (G.N.R.), Derby (M.R.), Swindon (G.W.R.), Oswestry (Cambrian R.), Ashford (S.E. and C.R.), Newcastle, Manchester, and Birmingham. Newcastle is noted for heavy ordnance, Woolwich for guns, Enfield for rifles, Rotherham and Birmingham for electro-plate; Sheffield for cutlery and armour plate, Warrington for iron wire, Middlesbrough and Barrow for steel rails; and Bristol for galvanised iron. Manchester, Salford, Oldham, Bolton, Accrington, Bury, and Rochdale make cotton machinery, Leeds and Keighley make woollen machinery; and Leicester makes machinery for elastic webbing. Agricultural machinery and implements are manufactured at Ipswich, Peterborough, Huntingdon, Norwich, Newark, Gainsborough, Lincoln, and Grantham in the farming regions. Shipbuilding is carried on at ports with easy access to coal and iron. It should be noted that vessels are now largely built of steel, and good harbour facilities are of prime importance in shipbuilding. The Tyne ports (Newcastle, South Shields, North Shields, Gateshead, and Jarrow), Sunderland on the Wear, West Hartlepool, Barrow (protected by Walney Island), London, Birkenhead, and Hull, are the chief centres. London suffers from high rents and distance from coal and iron fields, so that its shipbuilding tends to decline. The Government dockyards are at Chatham, Portsmouth, Sheerness, Devonport, and Pembroke. Other iron centres are Workington, Wigan, Consett, and Frodingham. The silk manufacture is not of great importance, it labours under the disadvantage of competition from France and Italy, but the pure waters are an aid, and the industry still survives at Spitalfields (London), Congleton and Macclesfield (Cheshire), Coventry (silk ribbons), Leek (silk dyeing), Bradford (velvets and plushes), Derby, Chesterfield, Ilkeston, and Braintree (Essex). Lace-making by hand, a surviving domestic industry, is carried on

in Bedford, Buckingham, and Devon (Honiton). Linen goods are made at Leeds, Barnsley, and Barnard Castle; and sail-cloth at Sunderland, Hartlepool, and Stockton. The brewing industry is centred at Burton (ales and stout—the barley region round and the gypsum of the waters are aids) and London (porter, stout, and gin). Minor industries are matches at London and Liverpool; paper in Kent (Maidstone), Derbyshire, Hertfordshire, and Lancashire (Darwen and Bacup); glass at Newcastle, Stourbridge, Bristol, St. Helen's, Birmingham, Dudley, South Shields, Castleford, Doncaster, and Rotherham; furniture at Shore-ditch and Hoxton (London), and High Wycombe (chairs); and straw plait making-up (surviving by industrial inertia) at Luton. Boots and shoes are made at Northampton, Wellingborough, Stafford, Norwich, Leicester, Nottingham, and Higham Ferrers in the cattle regions; and tanning is carried on in London and Bristol (imported hides). Gloves are made at Worcester, Woodstock, Yeovil, Hereford, Taunton, and Leominster. The earthenware trade is mainly in Staffordshire (Stoke-on-Trent (Stoke, Burslem, Hanley, Longton, Tunstall, and Fenton) and Etruria utilise the coarse clays of the neighbourhood and kaolin from Cornwall and Devon. Derby and Worcester are noted for porcelain, Stourbridge for stoneware, and Lambeth for Doulton ware. Chemicals are manufactured in South Lancashire and North Cheshire (Runcorn, St. Helen's and Widnes), Flint, the Tyne towns, and the Cleveland District, where salt, sand, quartz, flint, tallow, and vegetable oils are near at hand or easily procurable. Of minor importance are the making of clocks and watches at London (Clerkenwell), Birmingham, Coventry, Prescott, and Liverpool, soap and candle manufactures at London and Port Sunlight; sugar-refining at London and Liverpool; cocoa and chocolate manufactures at Bristol and York; and tobacco manufactures at Bristol and Liverpool.

Communications. Means of communication, external and internal, are excellent. Roads are well made and kept, even if some have got into a more or less state of disrepair through lack of labour since 1914, river navigation has been improved by canalisation, a network of canals exists, especially in the Midlands, railways branch in all directions connecting every district, and showing a great density when compared with the networks of other commercial countries; and postal, telegraphic, and telephonic communication are very complete under normal conditions. The growth in the tonnage of modern ships, the large controlling powers of the railways, and the slow conveyance of goods have led to the decline in canal traffic; but the tendency to deepen the canals and the construction of ship canals, may lead to a brighter future. Motor traffic on the roads has developed to an extraordinary extent, and it has been suggested that special roads should be constructed for this kind of locomotion. The aeroplane was in its infancy in 1914, but this again has made such headway during the period of the war that it may become a most important factor in commercial carriage at no distant date. The ports of London, Liverpool, Bristol, Hull, and Southampton are termini of the great ocean routes, and have excellent facilities for shipping.

London is the natural route centre of the most important railways, all of which are the growth of less than a hundred years. Among the earli-est

railways may be mentioned the Stockton and Darlington Railway (1825), and the Liverpool and Manchester Railway (1829). The London and North-Western Railway's main line runs from Euston Station (London) through Northampton, Rugby (branch to Stafford), Lichfield, Stafford, Crewe (branches to (1) Holyhead—North Wales and Irish traffic; (2) Manchester, Liverpool, and Leeds; and (3) Cardiff), Warrington, Wigan, Preston, Lancaster, and Penrith to Carlisle. From St. Pancras Station (London) the Midland main line proceeds through St. Albans, Luton, Bedford, Kettering, Leicester, Trent (branches to (1) Nottingham and Lincoln; and (2) Derby, Ambergate, Manchester, and Liverpool), Chesterfield, Sheffield, Normanton, Leeds, Settle, and Appleby to Carlisle. The Great Western main line runs from Paddington Station (London) through Reading, Didcot (branch to Birkenhead), Swindon (branch to Milford and Fishguard), Chippenham (branch to Weymouth—Channel Islands' service), Bath, Bristol (branch to Cardiff via the Severn Tunnel, $4\frac{1}{2}$ miles), Exeter, Plymouth, and Truro to Penzance. King's Cross Station is the London terminus of the Great Northern Railway, whose main line serves Barnet, Hatfield, Hitchin, St. Neots, Huntingdon, Peterborough (branch to Grimsby), Grantham (branch to Stafford), Newark, Retford (branch to Liverpool), Doncaster (branch to Bradford), Selby, and York. The Great Eastern main line from Liverpool Street Station (London) proceeds through Chelmsford, Colchester, Manningtree Junction (branch to Harwich—Continental traffic), and Ipswich to Norwich (branches to Yarmouth and Cambridge). Another important line of this railway runs from London through Cambridge, Ely, March, and Lincoln to Doncaster. The North-Eastern line runs from Normanton (branch to Middlesbrough and Retford, and from Leeds to Scarborough), through York, Thirsk, Northallerton, Darlington, Durham, Chester-le-Street, Gateshead, Newcastle, Morpeth, and Alnmouth to Berwick-on-Tweed. From London (Marylebone) one of the main lines of the Great Central serves Aylesbury, Rugby, Leicester, Loughborough, Nottingham, Sheffield, and Manchester; while the second main line runs from Manchester [(London Road)—branches to Wigan and Leeds], through Retford, and Gainsborough to Grimsby (branch to Lincoln). The London and South-Western has two main lines from Waterloo (London)—(1) through Woking (branch to Portsmouth), Basingstoke, Winchester, Southampton, Wimborne, and Dorchester to Weymouth, and (2) through Salisbury (branch to Weymouth), and Templecombe to Exeter (branches to Devonport, Bideford, and Ilfracombe). From London Bridge and Victoria Stations (London) the London, Brighton and South Coast main lines connect the metropolis with Newhaven, Portsmouth, and Hastings. The South-Eastern and Chatham Railway (amalgamated South-Eastern and London, Chatham, and Dover lines) runs from (1) Charing Cross and London Bridge Stations through Tonbridge, Ashford, and Folkestone to Dover; and from (2) Victoria, Holborn Viaduct, and St. Paul's Stations through Chatham, Sittingbourne (branch to Sheerness and Queenborough), Faversham, and Canterbury to Dover. Victoria Station, Manchester, is the Lancashire terminus of the Lancashire and Yorkshire Railway which runs through Rochdale, Mirfield, and Wakefield to Normanton, and has branch lines (1) from Manchester to Liverpool, and (2) from

Manchester to Leeds via Rochdale, Halifax, and Bradford. Wales is served by branch lines of the London and North-Western Railway, the Midland Railway, and the Great Western Railway, and by the Cambrian Railway, which runs from Whitchurch through Oswestry, Welshpool, Montgomery, Newton, Machynlleth, Barmouth, and Harlech to Pwllheli. Some local railways of importance are the Furness Railway, the Cheshire Lines, and the North Staffordshire. It is interesting to note how the railway routes utilise the plains and river valleys, and the breaks in the Pennines, and what are the chief products carried on the various lines.

The oldest canal in England is the Foss Dyke, from the Trent to the Witham at Lincoln, constructed by the Romans. Modern canals date from the opening of the Bridgewater Canal in 1761, and their network is densest in the flat Midlands and industrial Lancashire and Yorkshire. It is possible for barges to cross England from east to west and from north-west to south-east by means of the canalised rivers and canals. The Manchester Ship Canal (opened in 1894) enables large vessels to reach Manchester, thus avoiding "break of bulk." It extends from Eastham on the Mersey to Manchester, a distance of $35\frac{1}{2}$ miles, and has a least water depth of 28 ft. Gloucester is joined to the navigable part of the Severn by the Gloucester and Berkeley Ship Canal. Other important canals are the Lancaster, connecting Preston with Lancaster and Kendal; the Leeds and Liverpool, the Aire and Calder, connecting Goole with Leeds; the Grand Junction stretching from the Trent to the Thames, the Trent and Mersey; the Shropshire Union connecting the Severn and the Dee with Birmingham, the Thames and Severn, the Kennet-Avon, the Oxford Canal; the Great Western connecting Bridgwater with Tiverton, the Bude and Launceston; the Wey and Arun; the Bedford River, the Royal Military (Rye to Hythe); and the Bridgewater. Barges are the cheapest and most commodious means of transport (inland) for heavy and bulky goods not needing quick transit; and there is certainly urgent need of deeper and wider canals.

Important cross-channel routes are Dover to Calais (22 miles); Folkestone to Boulogne (26 miles); Newhaven to Dieppe (67 miles) and Honfleur (86 miles); Southampton to Havre (112 miles), Cherbourg, and the Channel Islands; and Weymouth to the Channel Islands. The chief North Sea routes in normal times are Hull to Stavanger, Bergen, Copenhagen, Hamburg, Rotterdam, Antwerp, and Zeebrügge; Newcastle to Bergen, Copenhagen, and Hamburg; Harwich to the Hook of Holland, Rotterdam, and Antwerp; Queenborough and Folkestone to Flushing, and Dover to Ostend. To Ireland the chief routes are Bristol to Cork (228 miles) and Waterford; Fishguard to Rosslare; Holyhead to Dublin (61 miles) and Greenore (70 miles); and Liverpool to Dublin (121 miles) and Belfast; while Liverpool, Barrow, Fleetwood, and Heysham maintain communication with Douglas (Isle of Man). Liverpool, facing America, has great American and Irish trade; Bristol's trade is Irish and West Indian; Southampton trades with the Mediterranean and the Far East; London has a large *entrepôt* trade; Hull has important North Sea and Baltic trade; and Cardiff, Newcastle, and Blyth are the great coal ports.

Points needing consideration are the growth in

the speed, size, and tonnage of ocean steamships, the possibilities of State railways; the tendency to make inland towns into ports, and for certain industries to move to the sea; the probable growth of light railways in the agricultural regions; and the importance of the Navy to shipping interests.

Commerce. The trade of England and Wales (internal and external) was of very great magnitude before the war, and is gradually approaching the conditions attained in normal times, but though the foreign and Colonial trade is of much importance, it is much exceeded by the domestic trade, which accounts for practically the whole of the home-grown food products, a large percentage of the manufactured goods, and the greater part of the coal raised. Among the advantages for commerce are the favourable climate; the central position among trading nations; the long established trading relations, the oceanic empire, the great shipping (about one-half of the world's tonnage prior to 1914), the native love of the sea (island countries), the extended coast line and penetrating arms of the sea, the mineral wealth and numerous manufactures, the abundance of labour and capital; the great seaports, the excellent communications; the efficiency of labour; the freedom from military service, and the many inventions originated in the country. The commercial disadvantages, which are far outweighed by the advantages, are the high rents, wages, and freight rates (rail); royalties, the restrictions on labour (factory Acts and trades unions); the irrational spelling; the need of better commercial education (seriously engaging attention now), the want of a decimal system; and the high tariffs of other nations. Of the total external trade (foreign and Colonial, imports and exports), about one-quarter is with the Colonies and the remainder with foreign countries. Points to note are, that in statistical tables the imports' value much exceeds the exports' value, a fact accounted for by the large amounts ("invisible exports") earned in the carrying trade (Britain is the world's chief carrier), the *entrepôt* trade (London), and the capital expended abroad, the increase in trade in recent years; the competition of the United States and Germany, and the endeavours to obtain closer commercial relations with the Colonies. The chief possessions traded with are India, Australia, New Zealand, Canada, the Union of South Africa, British West and East Africa, the Straits Settlements, Ceylon, and British Guiana; while the chief foreign countries are the United States, France, Germany, Holland, Belgium, Russia, Spain, Egypt, China, Brazil, Italy, Sweden, Denmark, Argentina, Chile, Japan, Norway, Peru, Portugal, Rumania, and Greece. Food products and raw materials for manufacturing purposes form the bulk of the imports, and the prime importance of the Navy is thus clearly seen, and the reason for the concentration of the defence (military and naval) in metropolitan England. The chief food-imports and the countries of origin are: Wheat and flour (U.S.A., Canada, Argentina, Hungary, India, Egypt, Russia, and Australia); barley (Russia, Rumania, and Turkey); oats (Canada, Russia, Rumania, Germany, and U.S.A.); maize (Rumania, Argentina, Russia, Turkey, Italy, U.S.A., Hungary, and Egypt); rice (Burma and Bengal); dairy produce and eggs (Denmark, France, Russia, Ireland, Holland, Sweden, Canada, New Zealand, U.S.A., Belgium, and Argentina); fish (Canada,

Newfoundland, U.S.A., Norway, France, Portugal, Holland); mutton (Argentina, Holland, New Zealand, and Australia); beef (New Zealand, Australia, Denmark, U.S.A., Argentina, and Uruguay); pork (Holland and U.S.A.); living animals (Canada, U.S.A., and Argentina); rabbits (Australia and New Zealand); poultry and game (Russia, Canada, U.S.A., France, and Belgium); bacon and hams (Canada, U.S.A., Ireland, and Denmark); fruits (U.S.A., Canada, Tasmania, Mediterranean countries, Canaries, East and West Indies, and Central America); sugar (Germany, France, and Belgium (beet), and West and East Indies, British Guiana, and Queensland (cane)); tea (Assam, Ceylon, China and Holland); coffee (Brazil, British East Indies, Arabia, India, and Central America); cocoa (Mexico, East and West Indies, Central America, Ecuador, and Brazil); ice (Scandinavia); spices (East and West Indies, Asia Minor, Zanzibar, India, and Central America); wine and spirits (France, Spain, Portugal, Italy, Germany, Australia, California, Cape Colony, West Indies, and British Guiana); tobacco and snuff (U.S.A., West and East Indies, Turkey, India, and Egypt); lard (Canada and U.S.A.); and vegetables (North Sea countries and France). Raw materials for manufactures are: Cotton (U.S.A., Egypt, Brazil, India, and British possessions); wool (Australia, New Zealand, Argentina, South Africa, Turkey, and Persia); flax (Russia, Belgium, and Holland); hemp (New Zealand, the Philippines, Italy, Russia, and Central America); jute (India); silk (France, China, Japan, Italy, and India); furs (Canada, Siberia, and the North Pacific Islands); timber (Canada, Russia, Sweden, Norway, U.S.A., Central America, West Indies, and Brazil); oils, oil-seeds, and oil-nuts (British West Africa, West and East Indies, Egypt, Argentina, U.S.A., and Brazil); rubber (Brazil, Ceylon, and Belgian Congo); gums (India and New Zealand); petroleum and paraffin (U.S.A. and Russia); skins and hides (Australia, New Zealand, U.S.A., Canada, Argentina, Bengal, South Africa, Germany, Holland, Belgium, and France); ivory (Africa); sponges (the Levant); feathers (South Africa (ostrich), Norway and Denmark (down)); paper-making materials (Norway, Sweden, Canada, and North Africa); dyeing and tanning stuffs (British East Indies, Germany, Holland, and Belgium); gold (South Africa, Australia, California, and Canada); silver (U.S.A., Tasmania, Australia, and Germany); platinum (Russia); copper (Spain, Cape Colony, U.S.A., Australia, Chile, and Peru); iron (Spain and Sweden); lead (Spain, U.S.A., and Australia); manganese (Russia, India, Chile, Brazil, and Turkey); zinc (Belgium, Germany, U.S.A., Italy, and Greece); nickel (New Caledonia, U.S.A., and Canada); tin (Straits Settlements, Chile, Bolivia, and Tasmania); mercury (Spain and Austria); asbestos (Canada); asphalt (Trinidad); precious stones (South Africa, Brazil, Burma, Ceylon, Persian Gulf, and Australia); plum-bago (Ceylon, Germany, U.S.A., and Spain); sulphur (Italy); nitre (Chile); and guano (Peru). Articles, manufactures and partly manufactured, include: Manufactured iron (U.S.A., Germany, and Belgium); cotton and woollen goods, France and Germany; silk goods (France, Germany, and Italy); leather and gloves (France, Belgium, and Denmark); clothing (France and Germany); porcelain (France); tin-plate ware (U.S.A.); chemicals (Germany); glass (Germany, Belgium, and Bohemia); scientific and musical instruments (France

and Germany); matches (Sweden and Belgium); and watches and clocks (U.S.A. and Switzerland).

Manufactured goods, especially cotton and iron goods, and coal are the chief exports. Coal is exported to most of the European countries, Egypt, and British and other coaling stations; and Welsh coal has a world-wide market. Iron in various forms has its markets in the Colonies, the new countries of the world, most of the European countries, and even in the United States. Cotton piece goods find ready markets in India, China, South America, Egypt, Turkey, Japan, Australia, the East and West Indies, West and Central Africa, and the Mediterranean lands; while cotton yarn is bought chiefly by Germany, Holland, Turkey, British India, and Japan. Woollen and worsted goods are exported to Central and Northern Europe, the United States, Canada, Australia, New Zealand, South Africa, Argentina, and Japan; silk goods to France, Germany, the United States, and India; jute and hemp goods to the United States, Argentina, Canada, and Brazil; and linen goods to the United States, Canada, Australia, Germany, and France. Other exports include raw materials [there is a large *entrepôt* (middleman) trade in hides, wool, cotton, flax, jute, hemp, tin, rubber, and food products], food stuffs and living animals (fish, horses, sheep, cattle, potatoes, biscuits, confectionery, and jams), chemicals, earthenware, glass, paper, furniture, haberdashery, leather, millinery, and books.

Trade Centres. England is largely a land of towns, while Wales (excepting the south) has few important trade centres. There are over forty towns with populations exceeding 100,000, and of these centres, seven have populations greater than 300,000, and nine others have more than 200,000. Industrial England claims by far the greater number of important trade centres (approximately two-thirds of the towns containing populations of over 50,000).

Ports. *London* (administrative county—4,522,961; Greater London—7,252,963), the largest, wealthiest, most important, and busiest city in the world, the capital of the British Isles and Empire, and the world's greatest financial centre, embraces the cities of London and Westminster and twenty-seven metropolitan boroughs. Its importance is due to its position commanding land and sea routes, the fine estuary of the Thames, and its outlook to the Continent. Its numerous industries, necessitated by its vast population, are represented by pottery works at Southwark and Lambeth; breweries at Southwark and Wandsworth; tanneries at Bermondsey; silk at Spitalfields; furniture-making at Finsbury and Shore-ditch; candles at Battersea; boots and shoes at Hackney; watches at Clerkenwell; ironworks at Deptford; naval ordnance and torpedoes at Woolwich; printing and publishing between the City and Westminster; and optical instruments at Holborn. London's miles of docks import immense quantities of tea, wine, wool, cattle, meat, timber, leather, woollen and cotton goods, coffee, cocoa, sugar, paper materials, skins and furs, dairy produce, and silk. The exports of the metropolis are of less importance than the imports, for London is far from the great manufacturing centres. Almost half of its exports are re-exports of goods already imported. The factories lie chiefly to the east of the City, near the docks and wharves; while the West End is the resort of the wealthy and of the professions, who naturally gather round the centre of government. London's magnificent buildings

include St. Paul's Cathedral, Westminster Abbey, the Tower, the Houses of Parliament, the Mansion House, the Bank of England, the Royal Exchange, the National Gallery, the British Museum, Buckingham Palace, the Imperial Institute, the Guildhall, and Marlborough House. Distance from coal and iron, and high rents, tend to make London a fitting and repairing centre, warehouse, and showroom rather than a specialised industrial centre.

Liverpool (746,566), on the Mersey, the second largest town in England, and the greatest exporting centre, owes its importance to its excellent position for land and sea traffic, and the fine hinterland of industrial Lancashire, Yorkshire, and the Midlands. Its chief imports are raw cotton, grain, meat, rubber, metallic ores (mainly copper), living animals, wool, timber, tobacco, sugar, oils, fruit, and leather; and its exports are mainly cotton goods, machinery and metal manufactures, woollen goods, chemicals, and linen manufactures. Liverpool, unlike London, is a port of modern growth; slaves from Africa and tobacco and sugar from the West Indies once formed a great part of its trade. Its prime importance came with the importation of cotton from the Southern States, and to-day its trade is largely American. Among the industries of the city are tobacco manufactures, flour-milling, sugar-refining, shipbuilding, iron and brass foundries, engine works, and manufactures of glass, chronometers, and watches. Birkenhead and Wallasey are, in reality, parts of Liverpool, the former from an industrial point of view, and the latter as a residential suburb.

Manchester (714,427), on the Irwell, the great marketing centre of the cotton trade, has, since 1894, been a canal-port, and is more a city of warehouses than mills. It lies on a plain, on the borders of a hill country, where routes by land, river, and sea (now) converge. Its imports are raw cotton, grain, metals, timber, and fruits; and its main exports are cotton manufactures, cotton yarn, and machinery. Like Southampton, it is a rival of Liverpool, and its shipping is increasing. As an engineering centre, Manchester is of great importance.

Bristol (357,059), on the Avon, the chief port of the south-west of England, is engaged in Irish, South American, and West Indian trade. Docks at Avonmouth and Portishead help to overcome the disadvantages from which the port suffers. Its chief imports are cocoa, tobacco, butter, cheese, fruit, and grain; and its exports, small in value, include coal, glass, chemicals, iron, and textiles. Leather, tobacco, cocoa, and iron manufactures represent the industries of Bristol.

Hull (278,024), on the Humber, trades chiefly with the Baltic and North Sea countries, but has an extensive Mediterranean trade. It imports grain, timber, dairy produce, and wool; and exports cotton and woollen goods, railway plant and machinery. As a natural port for the Dogger Bank fisheries, it ranks second to Grimsby, which possesses a more advantageous position.

Newcastle (266,671), on the Tyne, like London and Bristol, is an old bridge-town. Its industries include shipbuilding, glass and chemical works, and manufactures of machinery, heavy guns, locomotives, marine engines, and ship fittings. At Elswick great ironclads for the Navy are built. The chief exports are coal, metal manufactures, ships and boats; while the imports are grain, metals, ores, and dairy produce.

Portsmouth (231,165), the first naval station in

England, and the only really first-class fortress in Britain, is sheltered by the Isle of Wight, and has the chalk ridge of Portsdown to the north of it.

Cardiff (182,280), on the Taff, the commercial capital of Wales, is the outlet of the South Wales coal and iron region. It imports grain, timber, and ores; and exports much coal. Much of its prosperity is due to the enterprise of the late Marquis of Bute, who spent vast sums in the establishing of new docks. Blast furnaces have been erected in recent years for the smelting of iron ore.

Sunderland (151,162), on the Wear, is an important shipbuilding centre, and the outlet for the coal and iron of the Durham coalfield. It has iron-works, forges for anchors and chains, glass works, chemical factories, paper mills, and rope and cordage works.

Birkenhead (130,832), on the Mersey, possesses a large natural dock, the Great Float, around which stand large shipbuilding and engineering works.

Southampton (119,039) occupies a peninsula at the head of Southampton Water. It is a most important packet station and port of call, and its tides, its position as the centre of the south coast, and the natural breakwater of the Isle of Wight enhance its importance. Its trade is principally with France, Spain, Africa, North and South America, South Africa, and Australia.

Gateshead (116,928), on the Tyne, is connected with Newcastle by three noted bridges, and its trade resembles that of Newcastle. It has shipyards, and chemical, glass, and engine works; and makes electric cables, wire, ropes, and cement.

Swansea (114,673), on the Tawe, is a metallurgical centre, and the centre of the tin-plate industry. Vast quantities of iron, tin, lead, and copper ores are smelted.

Plymouth (112,042), on Plymouth Sound, carries on an increasing trade with America, and competes with Southampton. With Devonport (81,694) and Stonehouse it constitutes "the Three Towns."

South Shields (108,649), on the Tyne, has a trade similar to that of Newcastle, and is a growing port.

Newport (83,700), on the Usk, is an important coal port, and the outlet of the colliery and iron district behind it.

Other seaports are Grimsby (74,663), a fishing port; Bootle (69,881), an extension of Liverpool; West Hartlepool (63,932), a shipbuilding centre; Barrow (63,775), a shipbuilding centre; Tyne-mouth (58,822); Great Yarmouth (55,808), a fishing centre; Stockton-on-Tees (52,158), a shipbuilding centre; Gloucester (50,029); Goole, a river port; Harwich, Dover, Newhaven, Folkestone, Weymouth, and Fishguard, packet stations; and Maryport, Workington, and Whitehaven, coal ports.

Industrial Centres. **Birmingham** (525,960), "the Capital of the Midlands," lies in the middle of the plain between the River Trent and River Severn. It is a very remarkable manufacturing centre, a town of ideas, and a most progressive city. Its industries include the manufacturing of metal goods of nearly all descriptions. Gold, silver, steel, and bronze articles; plated ware, ornaments, coins, and medals; locomotives and rifles; and steel pens and brass pins are among the numerous manufactured goods. Its position has helped it to become a great railway and canal centre.

Sheffield (454,653), at the head of the navigation of the Don, includes in its manufactures cutlery, silver-plate, electro-plate, textile machinery, armour-plate, railway carriage springs, rails, and brass goods. It is the fifth town (as regards population) in England, and the first in Yorkshire.

Leeds (445,568), on the Aire, is the centre of the Yorkshire woollen industry, a railway and canal centre, and the second town in Yorkshire. It manufactures ready-made clothing, cloth, boots and shoes, textile machinery, linen, tobacco, glass, chemicals, railway and road engines, and steam ploughs.

West Ham (289,102), to the east of London, is a town of recent rapid growth. Shipbuilding, brewing, and the manufactures of matches, soap, chemicals, and artificial manures represent its activities.

Bradford (288,505), in the West Riding of Yorkshire, weaves more mohair than any other centre in the world. Worsteds, velvets, and plushes are its specialities.

Nottingham (259,942), on the Trent, manufactures cycles and motor cars, hosiery and lace, and lace-making machinery.

Stoke-on-Trent (the county borough includes Hanley, Stoke-on-Trent, Burslem, Longton, Tunstall, and Fenton) (234,553), is the centre of the pottery industry, and utilises local clays for the coarser kinds of earthenware, and kaolin for the finer porcelain and china wares.

Salford (231,380), the inseparable companion of Manchester, has similar industries to its greater sister.

Leicester (227,242), on the Soar, is an old Roman town, and manufactures woollen hosiery, boots and shoes, elastic-web, and lace.

Bolton (180,885), once famous for its woollen industry, is now a great cotton-spinning centre. It is also engaged in the coal and iron trade.

Croydon (169,559), a suburb of London, manufactures church clocks and carillons.

Willesden (154,267), a suburb of London, is a great railway junction.

Rhondda (152,798), in Glamorganshire, is a great coal-mining centre.

Oldham (147,495) in South Lancashire, is a great cotton-spinning centre, and manufactures textile machinery.

Tottenham (137,457), East Ham (133,504), Leyton (124,736), Wimbledon (54,876), Walthamstow (124,597), Ealing (61,235), Hornsey (84,602), Ilford (78,205), Edmonton (64,840), and Acton (57,523) are suburbs of London.

Blackburn (133,064) is an important Lancashire cotton-weaving centre.

Derby (123,433) is situated where the Derwent emerges on the plain. Like many other towns once strategically important, it has become a great railway junction, and is the headquarters of the Midland system. It has important railway works, and manufactures silk and porcelain.

Norwich (121,493), on the Wensum, manufactures all kinds of agricultural machinery and appliances, mustard, starch, and boots and shoes.

Preston (117,113), at the mouth of the Ribble, has, in addition to its cotton-weaving industry, important manufactures of electric cars and railway carriages.

Stockport (108,693), at the foot of the moors east of Manchester, is a cotton centre.

Huddersfield (107,825), in the West Riding of Yorkshire, makes woollen goods of all kinds.

Coventry (106,377), in Warwickshire, is a great manufacturing centre for cycles and motor cars.

Burnley (106,337) is a cotton-weaving centre, and makes looms.

Middlesbrough (104,787), on the south side of the Tees, has had a remarkable growth. In 1829 a solitary farmhouse marked its site. Its present importance as an iron centre is due to the iron ore of the Cleveland Hills, the coal of Durham, and the dredging of the Tees' estuary. Iron and steel works, shipbuilding yards, and chemical factories represent its industries.

Halifax (101,556) makes worsteds, carpets, and woollen goods.

Other industrial centres are St. Helen's (96,566), glass and chemical works; Wolverhampton (95,333), Walsall (92,130), King's Norton and Northfield (81,163), Merthyr Tydfil (81,000), Smethwick (70,681), Handsworth (68,618), West Bromwich (68,345), Rotherham (62,507), Enfield (56,344), Dudley (51,092), Aston Manor (75,042), and Aberdare (50,844), iron centres; Rochdale (91,437) and Bury (58,649), wool and cotton centres; Reading (89,171), coal and iron-smelting centre; Reading (75,214), biscuits and seeds, Warrington (72,178), wire; Northampton (90,076), leather; Ipswich (73,939), and Lincoln (57,294) agricultural machinery; Darlington (55,633) and Swindon (50,771), railway works; Barnsley (50,623), linen; Burton (48,275), brewing; Dewsbury (53,358), shoddy; Wakefield (51,516), wool, and Luton (50,000), straw-plait finishing.

Towns of Historic Interest and Pleasure and Health Resorts. **Brighton** (131,250), "London-super-Mare," is a pleasure and health resort of modern growth, on the Sussex coast.

York (82,297), at the head of the navigation of the Ouse, is an old Roman town, a cathedral city, a great railway junction, and a market town. Flour-milling, confectionery, cocoa works, and railway works make it prosperous.

Bournemouth (78,677), near the Dorsetshire border, is a modern health and pleasure resort, and owes its popularity to the pine-clad valley of Bourne Brook, its sands, its beautiful surroundings and its excellent railway service.

Wallasey (78,514), on the Mersey, is, in reality, a Cheshire suburb of Liverpool, and a health resort. Its growth has been great, and is still increasing.

Bath (69,183), on the Avon, famous in Roman times for its hot springs, is a noted invalid resort.

Southend (62,723), on the Essex coast, is a favourite watering-place.

Hastings (61,146), on the Sussex coast, is an old Cinque port and modern watering-place.

Blackpool (58,376) is a pleasure resort on the Lancashire coast.

Oxford (53,049), at the confluence of the Cherwell and Thames, is an ancient university town.

Eastbourne (52,544), on the Sussex coast, is a pleasure resort.

Southport (51,650) is a Lancashire watering-place.

Exeter (48,660), on the Exe, is an old Roman town and cathedral city.

Worcester (47,987), on the Severn, is an old Roman town noted now for its gloves and porcelain.

Chester (39,038), on the Dee, is noted for its Roman walls and associations, and its quaint old houses. It is still an important railway junction,

but has lost its importance as a port owing to the silting-up of the Dee estuary.

Canterbury (24,628), situated where the Stour emerges from the chalk downs, has a fine collection of ecclesiastical buildings, and is the chief ecclesiastical centre of England.

People and Government. The shape of the skull and the pigmentation of the hair and eyes are the characteristics transmitted by man with almost unerring heredity, and these features provide a key to the source of his blood. Two types of human skull are distinguished: the one comparatively long and narrow (long-skulled), and the other short and broad (round-skulled). In Europe three strains are clearly perceived: (1) The Mediterranean strain, long-skulled and dark; (2) the Scandinavian strain, long-skulled and blonde; and (3) the Alpine strain, round-skulled and of intermediate colouring. The long-skulled type predominates in Britain; in the East the people are mainly tall and fair, while in Wales and South-West England they are darker and shorter than those in the East. To account for the existence of the Alpine languages (Keltic group) in the West, the explanation is given that the aboriginal peoples of Britain were of Mediterranean origin, who, though dominated for a time by an invading Alpine people (who, probably, died out), whose language they were forced to adopt, were not displaced nor assimilated. The immigration of the North Sea and Scandinavian peoples in historic times has led to the modification of the races, especially in the easily accessible East. A national common type tends to develop in the upper classes; and to-day we can distinguish the dark and emotional Welshman; the Englishman of the North and East, an Anglo-Dane; the Englishman of the South and West, a Saxon; and the cosmopolitan Londoner. Insularity preserves and continues Britain's excellent social organisation; accessibility leads to outside stimulus; and soil, climatic and sea effects encourage a virile growth and patriotism.

The Islands of England. *The Isle of Man*, ancient Mona (area = 227 square miles; population = 52,034), is situated in the Irish Sea, and is roughly equi-distant from England, Scotland, and Ireland. The island is mountainous (highest point, Snaefell, 2,030 ft.), and contains many lovely glens. Fishing (herring), mining (lead, copper, zinc, and slate), sheep and cattle rearing, and a little agriculture (oats, barley, turnips, and grasses) are the principal occupations. Lovely coast and mountain scenery make the island a great summer holiday resort. Douglas, the capital (21,100). Ramsey (5,000); Peel (3,500); and Castletown (2,000), the ancient capital, are the chief towns. The island is administered in accordance with its own laws by the Court of Tynwald, consisting of the governor, appointed by the Crown; the Council for Public Affairs, composed mainly of ecclesiastical and judicial dignitaries appointed by the Crown; and the House of Keys, a representative assembly of 24 members.

The Channel Islands consist of nine inhabited islands and unnumbered rocks, lying in a cluster in the Bay of Avranches, 8½ to 30 miles from the French coast (total population = about 100,000; Jersey—45 square miles, 51,000 population; Guernsey—25 square miles; Alderney—4 square miles; and Sark—1½ square miles—are the chief islands). They are the sole remaining possession of England's Norman heritage. Most of the inhabitants are engaged in fishing (cod and lobster), dairying ("Alderney and Jersey breeds"),

and the growing of early flowers and vegetables and the culture of grapes for the English markets. The chief centres are St. Helier (30,000), the capital of Jersey, and St. Peter's Port, the capital of Guernsey. The islands are administered according to their own laws and customs, and French is still the legal language, though English is generally understood and taught in the schools. Like the Isle of Man, the Channel Islands are not bound by Acts of the Imperial Parliament unless specially mentioned in them.

British Possessions. Britain and her overseas possessions comprise over one-fifth of the land mass of the world, and contain one-quarter of the world's population. The Empire (so-called, but strictly applicable only to India) has been gained by war, treaty, discovery, and settlement; luck, also, has at times played its part. Among the uses of the possessions are the outlets they give for the surplus population, a factor of importance now, and certain to be of greater weight in the future; the markets they provide for British goods; the variety of the products they supply to Britain; and the aid they render as coaling, naval, and military stations. Vast imperial responsibilities are ours; and since the lesson taught by the loss of the American colonies in the later decades of the eighteenth century, efforts have been made to administer the possessions wisely, and to implant in the minds of the Britishers overseas the feeling of intense loyalty to the Mother Country. Colonies enjoying self-government are Canada, Newfoundland, the Union of South Africa, the Commonwealth of Australia, and New Zealand. Other possessions are administered under various forms of government, but the prevailing idea is to allow the inhabitants of each region to have as much control over their affairs as conditions will permit. It is pleasing to record that a true bond (patriotic, commercial, and political) exists between Britain and her numerous possessions, and this bond was particularly shown in the Great War.

All the important British possessions are noticed fully in separate articles.

ENTAILED ESTATE.—An estate is said to be entailed when it is directed, by the will or the settlement under which it is held, to pass on to the heirs of the body of the holder for the time being. The holder is the tenant in tail (*q v*). In the vast majority of cases, land which is entailed may be disentailed, or, as it is said, the entail may be barred. When this is accomplished, the land is held in fee simple. (See ESTATE TAIL.)

ENTERED AT STATIONERS' HALL.—This was a phrase which was usually found at the beginning of literary works published before the Copyright Act, 1911, came into force. It was essential that this notification should be given, thereby indicating that the author, or his assignee, reserved the right to prohibit the publication of the work by any third party during the pendency of the copyright. By the Act of 1911 the necessity for giving this notice was completely dispensed with. Registration, or entry at Stationers' Hall, is, therefore, no longer an essential matter in securing copyright.

ENTREPOT.—This is really a French word which has, however, become incorporated in the English language. In France, the name properly signifies a bonded warehouse, or a place where goods imported may be deposited, and whence they may be withdrawn for export without the payment of any duty. In process of time it has now

become commonly applied to any seaport or commercial town through which the exports and the imports of a large district pass.

ENTRY.—This is the account kept of all goods which are exported from or imported into this country, whether the latter pay duties or not. This entry is kept for statistical purposes.

ENTRY FOR WAREHOUSING.—This is a Custom House document which is brought into play when dutiable goods are imported, but are stored away for a period in a Government or bonded warehouse until they are required for use. The form is filled in by the importer, and the goods are fully described, so that they may be removed in the regular way from the importing ship to the desired warehouse.

ENVELOPE-SEALING MACHINES.—Considerable time is, in a busy office, expended on the sealing of the envelopes containing the outward letters. The old way of licking the flaps was both harmful and much too slow. The present office method of laying the envelopes out flat one over the other, with the gummed edges exposed, and damping the gum and turning the flaps over one by one, is undoubtedly very effective, and if the letters are of varying size or bulky, it is probably the best method. In the case of the dispatch of a large mail, however, where all the envelopes are of one size, the use of a sealing machine is very economical. Several makes of such machines are on the market, particulars of which are obtainable from any stationer.

EQUATION OF PAYMENT.—Equation of payment is the term given to the method by which the average date for payment in one sum, of several items due at different dates, is found.

When the whole of the items are either debit or credit, it is termed simple equation, and compound when items are on both debit and credit sides of an account.

The object of obtaining the equation is to arrive at such an adjustment on the interest affecting each item that neither party obtains any advantage by the giving and allowing of period of credit. Such period is known as the equated time, and the date on which the sum is to be paid is called the equated date or the average due date.

Rule. 1 Find the date on which payment of each transaction falls due (the due date).

2 Take the due date of the first transaction as a starting point.

3 Calculate the number of days from this starting point to the due date of each transaction (adding one "extreme" only).

4 Multiply each number by the amount of the transaction.

5 Add the products and find the total amount of the transactions in £.

6 Divide the total products by the total of the transactions which gives the number of days to the average due date, computing from the date taken as starting point, but not including it.

Example of Simple Equation of Date. The following goods have been supplied, and it is desired to settle the account by means of a three months' bill drawn on the average date.

March 30th	..	£192
April 30th	..	211
May 31st	..	118
June 30th	..	247
July 30th	..	94

Date of Invoice.	Amount	Days from March 30.	Products.
March 30th	192	0	0
April 30th	211	31	6,541
May 31st	118	62	7,316
June 30th	247	92	22,724
July 30th	94	122	11,468
	862		48,049

$$48,049 \div 862 = 56$$

56 days from March 30th = May 25th.

Therefore the bill will be drawn at three m/d from May 25th.

An example of compound equation of date is shown below

(See also AVERAGE DUE DATE)

EQUITABLE CHARGE.—When a person desires to borrow money for a short period, he is often anxious to avoid the expense of a regular mortgage, and he, therefore, executes a document which serves as a charge upon the property, real or personal, which is to be the security for the loan, and which can be enforced by process of law if the debt is not liquidated in due course (See EQUITABLE MORTGAGE.)

EQUITABLE ESTATE.—This is the name given to an estate which is held by a person, not in a strict legal sense, but in a manner which gives him a right, nevertheless, to enjoy the advantages attached to the same. Thus, if an estate, real or personal, is settled for the benefit of a particular individual, or for a number of individuals, the legal estate (*q.v.*) is vested in the trustees of the settlement (or it may be the trustees appointed under a will) whilst the equitable estate is in the beneficiaries (*q.v.*) Again, when land is mortgaged, the legal estate is in the mortgagee, to whom the land is conveyed, but the mortgagor, who has the right to the equity of redemption, has the equitable estate in the same. Similarly, a second mortgagee has an equitable estate in the property upon which he holds his second mortgage.

EQUITABLE EXECUTION.—(See ACTION, EXECUTION.)

EQUITABLE MORTGAGE.—In the case of a legal mortgage (see MORTGAGE), the borrower or mortgagor, in consideration of the money advanced to him, conveys to the lender or mortgagee, the property upon the security of which the money is advanced. The mortgagee then obtains the legal estate, whilst the equitable estate remains in the mortgagor.

In many cases, however, where money is advanced temporarily, and not as a species of investment, it is the common practice for the borrower to deposit with the lender the deeds referring to the property, together with a note or memorandum of deposit. The memorandum generally stipulates that the borrower will, if required, execute a legal mortgage if called upon to do so. This is what is known as an equitable mortgage. The possession of the title deeds gives the mortgagee an adequate security for his loan, and this particular species of mortgage is frequently resorted to when an advance is required from a banker or other person. (See MORTGAGE.)

EQUITY.—This is the name that has been given to that branch of the law which was a species of supplemental justice, where the common law (*q.v.*) was inadequate, and was formerly administered in the Chancery Courts. As is well known, the common law became a rigid kind of code at a comparatively early period of English history, and if a suitor was unable to bring his case within one of the writs recognised in the common law courts, he was absolutely without a remedy. It was to alleviate this evil that a subsidiary body of law arose, and its administration was in the hands of the Lord Chancellor. It is thus a curious fact that in our legal history a suitor's chances often depended upon the particular court in which he instituted his action. Without entering into the curious and absurd conflicts which arose out of this dual body of law, it is sufficient to state that equity gradually became as fixed as the common law, although the systems were kept distinct until the passing of the Judicature Acts of 1873 and 1875. Since the last-named year, law and equity have been administered equally in all the divisions

Example of Compound Equation of Date. The following is an account of transactions between two parties, all goods being subject to three months' credit—

Feb. 10	To Cash	.. ..	£150	Jan. 5	By Goods	.. ..	£360
" 20	" Goods	.. ..	350	Mar. 1	" Cash	.. ..	100
" 28	" "	.. ..	200	April 10	" Goods	.. ..	80
Mar. 3	" Cash	.. ..	440				

It is desired to settle the account on an equated date.

Date.	Date due	Amount	Days from Feb. 10.	Pro-ducts	Date	Date due.	Amount	Days from Feb. 10.	Pro-ducts.
Feb. 10	Feb 10	£150	0	0	Jan. 5	April 5	£360	54	19,440
" 20	May 20	350	99	34,650	Mar. 1	Mar. 1	100	19	1,900
" 28	" 28	200	107	21,400	April 10	July 10	20	150	3,000
Mar. 3	Mar. 3	440	21	9,240	Balance	"	660		40,950
		£1,140		65,290			£1,140		65,290

$$40,950 \div 660 = 62$$

62 days from February 10th = April 13th.

of the High Court of Justice, and if there is now any conflict between the rules of law and of equity, those of equity are to prevail.

EQUITY OF REDEMPTION.—This is the name given to the right which a mortgagor always possesses to redeem his mortgaged property, unless his equity is put an end to by process of law. Thus, A mortgages his property to B. B has the legal estate, A has the equitable estate. So long as A keeps up the payment of interest and observes the covenants, if any, in the mortgage deed, he can always redeem his estate by paying what is due. And again, if A is in arrear and B proceeds, by foreclosure or otherwise, to realise his security in any way, A is able, by liquidating his debt or by other means, to endeavour to postpone the extreme measures which would result in the absolute loss of his property. The right that thus exists, which is founded on the maxim "Once a mortgage, always a mortgage," is called the equity of redemption. (See MORTGAGE.)

ERASURES.—All corrections in accounts should be made by passing the necessary entries to put matters in order through the journal, with a narration fully explaining the entry, but if it is absolutely necessary to alter an entry direct, the figure should be crossed through in such a manner that the original entry may be distinctly read, and the new figure inserted over or under it. Erasures often give rise to suspicion, especially when made so neatly that it is apparent the person making them has not wanted the alterations to be noticed, and when so made often cause difficulty in balancing the books, through the contra entry not having been altered accordingly; and the fact of the alteration not being easily seen causes it to be passed over when scrutinising entries where the difference may be likely to be discovered.

In the case of legal documents, erasures should be carefully avoided. If a deed is in any way altered, it is presumed to have been done before the execution, until the contrary is proved, and then it is clear a forgery has been committed. The presumption is the opposite in the case of a will. If, therefore, alterations appear in a will, these alterations must be executed as the will itself, otherwise they are of no effect. (See WILL.) Any alteration or erasure on a bill of exchange or a cheque must be initialled by the drawer.

ERGOT.—A parasitical fungus, producing a disease in the cereals which it attacks. It is found chiefly on the seed of rye, and a liquid extract is obtained from it, which is useful in cases of hæmorrhage and in attacks of migraine. In another form it is used for hypodermic injections, but care must be exercised in its administration, as large doses are poisonous. Germany and Russia supply Great Britain.

ERMINE.—The name given to the stoat when in its winter coat of white fur. The ermine is a small carnivore of the weasel family. Its fur is in great request for the robes of State dignitaries, and is much prized for stoles, muffis, coats, etc. The end of the tail is black. Though the ermine is common in the northern parts of both the Old and New Worlds, the valued white-coated specimen is confined to the highest latitudes. Great Britain's supplies come from Norway, Siberia, Lapland, and the extreme north of Canada.

ERRORS, DETECTION OF.—As referring to accounts, although there is no method by which

errors may be altogether obviated, they may be easily detected and rectified by the adoption of a thorough system of organisation. This system should comprise the allocation of staff duties in such a way that in every operation the operation is conducted by one person in the first instance, checked by another, and, wherever possible, re-checked by a third. Thus, in paying wages, one person should make up the wages sheets, another check them, and a third make them up ready to hand to the employees; in stocktaking the stock should be taken down by one, extended by a second, and checked by a third; in posting books of account, the postings should always be re-checked by a person other than the ledger clerk; in totalling the subsidiary books, the additions should be re-checked by a second person. A good check is ensured on ledger accounts by the settlements, and any alterations which may be then made should never be left on the account, but immediately and thoroughly cleared up through the books.

Not only should the staff be well organised, but the books themselves should also be on a well-organised system with a view to the detection of errors. Thus, by the adoption of columnar books, cross totals are of great service in ensuring a perfect balance up to a certain point, and self-balancing ledgers (*qv*), also assist in localising errors to one particular ledger and the subsidiary books referring to it. (See also CHECK FIGURE SYSTEM.)

If, however, on balancing the books the trial balance is found to be incorrect, much may be done in order to detect the errors without the trouble of a complete re-check, and although a great deal in this direction depends upon the ingenuity of the book-keeper having regard to individual weaknesses of the persons having charge of the various books, the following are directions in which errors are often found to have arisen, and are suggestive of others of similar description—

1. Omission to post discount totals from cash book to ledger.
2. Omission of balances, especially that of cash book balances.
3. Errors in abstracting ledger balances, or in totalling same.
4. Errors in totalling, often arising from—
 - (a) Indistinct figures, as 1 and 7, 3 and 5, 7 and 9, being so indistinct as to be misread.
 - (b) 1, 5, 10, and similar errors peculiar to the person making the addition.
5. Postings made to the wrong side.

6. Posting or carrying forward of incorrect amounts, the figures often being transposed or "advanced."

In the case of transposition between tens and units, the difference is always a multiple of 9, and in the case of transposition between hundreds and units, the difference is always a multiple of 99.

In the case of errors made by advancing a figure, the error may be discovered if it is revealed by the following test—

Taking such a sum as £24 2s. 6d. posted as £242 6s., the difference in balancing would be £218 3s. 6d. Set down the difference, and above the pence set down such a figure as will give an addition of even shillings, and place the same figure as the addition of the shillings; on the top line set down the figure required to add up, and place the same figure as the addition of the pounds, and so on.

The top line and the addition line will then give the item incorrectly posted—

£	s.	d.
24	2	6
218	3	6
<hr/>		
£242	6	0

In a set of books of any magnitude the difference in the trial balance will usually be the result of a combination of errors, but it will often happen that one error will give the key to several others of similar description, and they can be discovered one by one, until the last is easily found by one of the above methods.

ERRORS EXCEPTED.—ERRORS AND OMISSIONS EXCEPTED.—These words, generally abbreviated into E.E., or E. and O E., are very frequently written at the end of invoices and accounts by merchants and others, in order that they may be entitled to claim a legal right of correcting any errors or omissions which have not been discovered in the first instance when the invoices and accounts were made out.

ESCHEAT.—When there is a failure of heirs of a tenant in fee simple, the estate reverts or escheats to the Crown. The failure of heirs in the case of copyholds results in a similar benefit to the lord of the manor.

ESCROW.—A deed is said to be an escrow when it is handed by one of the parties to it to some person other than the other party to the deed, on condition that it shall be retained until some condition has been fulfilled.

ESPARTO.—A sort of grass growing wild in South Europe and North Africa. Wilful destruction of the plant in Algiers and Spain has rendered Government regulations necessary with regard to its cultivation. Esparto grass is an important commercial product, being used in the manufacture of baskets, mats, cordage, and paper. Algiers is the chief source of Great Britain's supplies.

ESSENTIAL OILS.—(See OILS.)

ESTABLISHMENT CHARGES.—(See COSTING.)

ESTATE.—This word is used in various senses, though its principal function is to denote the sum total of the goods of all kinds which a person possesses. In a restricted sense, it signifies the landed property of a person. Again, it is the term which includes the whole of the assets of a deceased person or of a bankrupt.

Technically, the word "estate" does not signify anything tangible at all, but means the amount or quantity of interest which a person possesses in certain landed property, as where the estate is said to be in fee simple, fee tail, or for life.

ESTATE AGENT.—This title is given to two quite distinct occupations. A person who conducts negotiations for the sale or purchase or letting of land, houses, shops, and the like, is called an estate agent, and is subject to the ordinary law of agency (*q.v.*) so far as it is applicable to the particular employment. The other class of estate agents is composed of persons employed by an owner of landed property to manage his property for him. In the case of large estates, the agent resides on the estate, gives his whole time to the service of his employer, is paid a yearly salary, and is really the adviser and representative of the employer. In other cases the agent may be in business for himself, and is employed, on either salary or commission, just as any other agent would be.

ESTATE DUTY.—Before the passing of the Finance Act, 1894, there were six separate duties payable on the death of a person, viz., probate, account, legacy, succession, additional succession, and estate. The probate, account, and additional succession duties were abolished by the Act of 1894, and the new estate duty established. Legacy and succession duties are still payable, subject to some modifications, but the estate duty is the first charge on the estate of the deceased. Like the old probate duty, estate duty is levied upon the principal value of all property, real or personal, settled or not settled, which passes on the death of any person dying after August 2nd, 1894, and not (like legacy or succession duty) the mere interest to which the legatee or successor succeeds. It is, however, not limited like probate duty to assets which are within the jurisdiction of the Court of Probate.

Property passing on the death includes the following—

(a) Property of which the deceased was at the time of his death competent to dispose, whether or not he, in fact, disposed of it by his will. (A person is deemed competent to dispose of property if he has such an estate or interest therein, or such general power over it as would, if he were *suus juris*, enable him to dispose of the property, and includes a tenant-in-tail, whether he is in possession or not; and the expression "general power" includes every power or authority enabling the donee or other holder thereof to appoint or dispose of the property as he thinks fit, whether exercisable by instrument *inter vivos* or by will, or both, but exclusive of any power exercisable in a fiduciary capacity under a disposition not made by himself, or exercisable as tenant for life under the Settled Land Acts, 1882, or as mortgagee.)

(b) Gifts of property, real or personal, such as donations *morts causâ, i.e.*, gifts made conditionally in contemplation of death and revocable on the donor's recovery, made within a year preceding the death.

(c) The deceased's severable share of property, of which he was joint owner with another.

(d) Insurance policies on the deceased's life effected by the deceased, and kept up for the benefit of a donee, whether assignee or nominee.

(e) Property in which the deceased or any other person had an interest ceasing on the death of the deceased, to the extent to which a benefit accrues or arises by the cesser of such interest; but exclusive of property the interest in which of the deceased or other person was only an interest as holder of an office, or as recipient of the benefits of a charity, or as a corporation sole.

(In computing the value of the benefit accruing or arising from the cesser of an interest ceasing on the death of the deceased, the following rules are applied—

(1) If the interest extended to the whole income, the value is the principal value of the property passing; (2) if the interest extended to less than the whole income of the property, the value appears to be the principal value of an addition to the property equal to the income to which the interest of the deceased extended. The clause deals with the ceasing of an interest in property which does not pass on the deceased's death, and has no reference to property which does pass on the death. Such property is divided into two classes: (a) Property in which the deceased had an interest ceasing on his death; (b) property in which some person other

than the deceased, had an interest ceasing on the death of the deceased. Under (a) fall life annuities and rent-charges charged on any property; the "life" being the life "of the deceased." The test is whether upon the falling in of the life in question a benefit must accrue to some person. No duty is, therefore, levied in respect of an annuity payable during the life of the deceased, and ceasing on his death if it is merely secured by a covenant and is not charged on the property. Under (b) fall cases in which an estate or interest in, or an annuity or rent-charge charged upon, property is given to a third person during the life of the deceased. (Leases for lives, of which the deceased was the last life fall under this heading.)

In order to avoid difficulties which had arisen as to (f), the Finance Act, 1900, has enacted that in the case of every person dying after March 31st, 1900, property, real or personal, in which the deceased or any other person had interest for the life of the deceased, is to be deemed to pass on the death of the deceased, notwithstanding that the interest has been surrendered, assured, divested, or otherwise disposed of, whether for value or not, to or for the benefit of any person entitled in remainder or reversion in such property, unless the surrender or disposition was made or effected *bond fide*, and possession assumed *bond fide* twelve months before the death of the deceased. It will be seen, therefore, that the disposition of property with the idea of avoiding the death duties is attended with considerable risk. The donor's estate may not, after all, escape the duties, and if the donor survives the donee, either the donor may lose any benefit for which he has privately stipulated, or he may be called upon to pay succession or legacy duty upon his own property, which has reverted to him by the will, or otherwise, of the deceased donee. The court has recently expressed the opinion that there is nothing illegal or immoral in making disposition of property in order to escape death duties. The difficulty is to do it successfully.

By the Finance Act of 1910 the period within which property might be disposed of and still be liable to estate duty was extended. The period first suggested was five years. This was eventually reduced to three years, and now by that Act gifts of property made *inter vivos* up to three years before the death of the deceased are rendered liable to duty. Consequently the risk of failure in transferring property in the hope of escaping duty is increased. The provision, however, is not retrospective, and does not apply to gifts made or effected for public or charitable purposes.

Nor does the new period of three years apply also to gifts made by the deceased in consideration of marriage, or which are proved to the satisfaction of the Commissioners of Inland Revenue to have been part of the normal expenditure of the deceased, and to have been reasonable, having regard to the amount of his income, or to the circumstances, or which, in the case of any donee, do not exceed in the aggregate £100 in value or amount. There are other exceptions provided by the Act which do not require any notice here.

Immovable, that is, real, property which is not situated in the United Kingdom, is exempt from estate duty. And even movable, that is, personal, property which is not situated in the United Kingdom is also exempt from the duty, if the deceased owner was not a person domiciled in the United Kingdom at the date of his death. But estate duty

is payable if the deceased owner was domiciled in the United Kingdom when he died, and it is also payable, generally, where the deceased was only interested for life, and at his death the property formed the subject of a British trust or was vested in a British trustee.

The following property, even though it is situated within the United Kingdom, is expressly exempted from estate duty—

(a) Settled property of every description in respect of which estate duty has been paid since the date of the settlement, unless the deceased was, at the time of his death, or had been previously, competent to dispose of it.

(b) Property held by the deceased as a trustee for another person under a trust not created by the deceased more than twelve months before his death, and the beneficiary had possession and enjoyment of the property immediately after the creation of the trust, and continued to hold it to the exclusion of the deceased.

(c) Property passing for a full money consideration.

(d) Property of common seamen, marines, and soldiers dying in the service of the Crown.

(e) Estates of which the value is less than £100.

(f) Survivorship annuities of less than £25.

(g) Reversionary interests upon which the estate duty has been commuted.

(h) Pensions and annuities payable by the Indian Government to the widows or children of deceased officers of that Government.

(i) Advowsons, or church patronages, not subject to succession duty.

(j) Property settled by a husband on his wife, or *vice versa*, and reverting on the death to the original settlor.

(k) Works of art, scientific collections, prints, manuscripts, etc., or other things not yielding income, either given for national purposes, or which appear to the Treasury to be of national, scientific, or historical interest, and settled so as to be enjoyed in kind in succession by different persons: provided that the exemption from estate duty will only continue so long as the property is unsold or does not come into the possession of the person competent to dispose of it.

(l) Sums under £100 which can be paid without requiring representation to the deceased.

(m) Settled property to which the deceased had not succeeded at his death, if the subsequent limitations of the settlement still subsist.

By various Acts the rate of estate duty has been considerably increased, and under the Finance Act, 1919, it is as shown on page 646.

The duty is calculated upon the exact net principal value of the estate, including the shillings and the pence. Where the gross value is less than £300, a fixed duty of £1 10s. may be paid, and where it is between £300 and £500, a fixed duty of £2 10s. may be paid; but the executor or the successor has the option of paying on the *ad valorem* scale. In cases of doubt as to the exact extent of the estate, it is the wiser course to adopt the alternative plan; because if it should turn out that the estate is of greater value than £500, and the fixed duty only has been paid, the *ad valorem* duty according to the true value is payable, and no allowance is made for the duty paid at first. Since 1903, however, the Commissioners, if satisfied that there were reasonable grounds for the original estimate of value, may in such cases allow a deduction equal to the fixed duty paid.

Value of Estate	Rate per
Exceeds £100 and does not exceed	cent charged
£500	1
£1,000	2
£5,000	3
£10,000	4
£15,000	5
£20,000	6
£25,000	7
£30,000	8
£40,000	9
£50,000	10
£60,000	11
£70,000	12
£90,000	13
£110,000	14
£130,000	15
£150,000	16
£175,000	17
£200,000	18
£225,000	19
£250,000	20
£300,000	21
£350,000	22
£400,000	23
£450,000	24
£500,000	25
£600,000	26
£800,000	27
£1,000,000	28
£1,250,000	30
£1,500,000	32
£2,000,000	35
	40

Where the net value of the property, real or personal, in respect of which estate duty is payable on the death of the deceased, exclusive of property settled otherwise than by the will of the deceased, does not exceed £1,000, such property, for the purpose of estate duty, is not to be aggregated with any other property, but is to form an estate of itself; and where the fixed duty or the estate duty has been paid upon the principal value of that estate, the legacy and succession duties are not payable under the will or intestacy of the deceased in respect of the estate. New provisions as to calculating the value of an estate in certain cases are made by the Finance Act, 1910, but these are beyond the scope of the present article.

The executor, when he applies for probate of the will of the testator, or the administrator of an intestate after he has obtained a grant of letters of administration, is required to furnish particulars of all the property of the deceased. The necessary forms and copies of the affidavit which has to be sworn can be obtained free of cost from Somerset House, or from any money order office outside the Metropolitan Postal District. Full particulars are given showing the method of ascertaining the value of the estate of the deceased, and the deductions which are allowed to be made from the gross amount. The chief of these deductions are reasonable funeral expenses, debts, and incumbrances on the estate. Other limited deductions are allowed where the property is situated out of the United Kingdom, and its administration and realisation necessitate increased expense; and if any death duty is payable in the foreign country where the property is situated, the amount of the duty is to be deducted from the principal value of the property. If any duty is payable in a British possession to

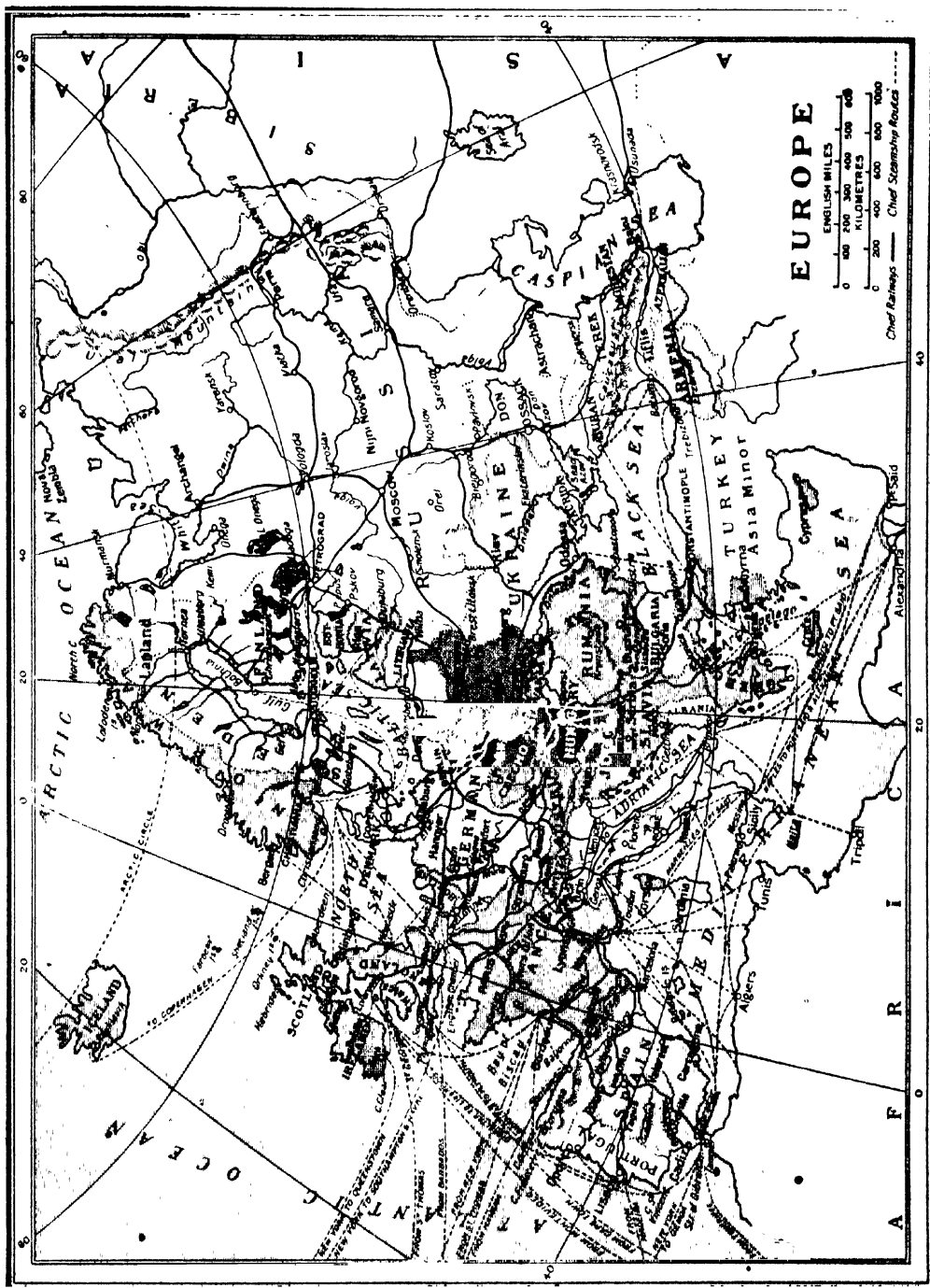
which the Finance Act, 1894, has been applied by Order in Council, in respect of the death, the Commissioners must deduct a sum equal to such duty from the estate duty which would otherwise be payable. This provision has been applied to practically all the British possessions, the only important exceptions being Queensland, and the Orange River and Transvaal Colonies.

The executor or the administrator is primarily accountable for the estate duty chargeable upon the personal property, and he may also pay the estate duty upon any other property under his control; and he may even pay it upon property not under his control if the persons accountable for the estate duty request him to do so. But where property passes on the death of the deceased, and the executor is not accountable for the estate duty thereon, every person to whom such property passes for a beneficial interest in possession, and likewise to the extent of the property actually received or disposed of by him, every trustee, guardian, committee, or other person in whom any interest in the property so passing or the management thereof is at any time vested, not being merely an agent or a bailiff, and every person in whom the same is vested in possession by alienation or other derivative title, are accountable for the estate duty on the property. This liability to account does not, however, extend to a *bond fide* purchaser for a valuable consideration. When the executor is not accountable, and does not pay on the request of the persons who are accountable, the latter must pay on an account which sets forth the particulars of the property, including any income that has accrued, but has not been paid over at the death, and they must deliver the account to the Inland Revenue within six months of the death or at such extended period as the revenue authorities may have allowed. The amount payable, if paid by the trustees, etc., is a first charge on the property.

The estate duty is due and payable upon the delivery of the account by the executor or administrator, or at the expiration of six months from the death of the deceased, whichever happens first. Until payment is made, simple interest at the rate of 3 per cent. is charged upon the estate duty, and if the payment is delayed beyond six months, the rate of interest is raised to 4 per cent. At the option of the person delivering the account, the estate duty payable upon real property may be paid by eight equal yearly instalments, or sixteen half-yearly instalments, with interest at the rate of 3 per cent. per annum from the date at which the first instalment is due, and this instalment becomes due at the expiration of twelve months from the death. The interest on the unpaid portion of the duty is added to such instalment and paid accordingly. If the real property is sold, the estate duty is payable on the completion of the sale. The payment of the estate duty is to be made primarily out of the residue of the estate of the deceased.

A new provision of the Finance Act, 1910, allows the person liable to pay estate duty (or succession duty) in respect of any real (including leasehold) property to arrange with the Commissioners of Inland Revenue to make the payment in whole or in part by a transfer of such part of the property as may be agreed upon between the Commissioners and that person. No stamp duty is payable on any conveyance or transfer of land to the Commissioners under the section.

In the valuation of the property liable to estate



duty, the principal value is to be obtained by ascertaining the price which, in the opinion of the Commissioners of Inland Revenue, the property would realise in the open market at the date of the death of the deceased; but the Commissioners shall not make any reduction in the estimate on account of the estimate being made on the assumption that the whole property is to be placed on the market at one and the same time. There is a provision that where it is proved that the value of the property has been depreciated by reason of the death of the deceased, the Commissioners in fixing the price shall take such depreciation into account. If the property is agricultural, the estimated value is not to exceed twenty-five years' purchase of the property, as assessed under Schedule A of the Income Tax Acts, and after deducting 5 per cent for the expenses of management. To this principal value is to be added all income accrued on the taxable property and outstanding, i.e., not received when the deceased died. Any disputes as to the valuation of the property may be referred to the High Court, or to a county court when the amount is less than £10,000. There is a right of appeal to the Court of Appeal.

Any person who for the purpose of obtaining any allowance, etc., in respect of any duties payable under the various Finance Acts knowingly makes any false representation is liable, on summary conviction, to imprisonment for a term not exceeding six months with hard labour. (See LEGACY DUTY, SUCCESSION DUTY.)

ESTATE TAIL.—This is an estate of freehold, and is one in which the inheritance of the real property concerned—there is no entail of personal property—is limited to the descendants of the first holder, according to the will or deed creating the same. The line of descendants may be made to consist of males or females. So long as the entail exists, no tenant in tail can dispose of any interest in the estate except in so far as he is himself entitled. This incumbrance upon dealing with the property has been gradually lightened by legislation—the Settled Estates Acts, and the Settled Land Acts—and now a tenant in tail may deal with the entailed property in a manner similar to a tenant in fee simple, though, of course, the capital value of the estate must be safeguarded, also, by reason of other special legislation, the entail may be barred if certain formalities are observed, and then the estate can be as freely dealt with as if it were an estate in fee simple.

ESTHONIA.—(See RUSSIA.)

ESTIMATE.—A document which shows what is the amount demanded by a contractor or other person for carrying out certain work or supplying certain goods.

ESTOPPEL.—This is a legal term, which signifies that a person is stopped or prevented from setting up a claim or a defence in an action, as the case may be, on account of some previous act or representation, or of some legal presumption which is inconsistent with it. Thus, a drawer, an acceptor, and an indorser of a bill of exchange are each estopped from denying certain facts connected with the bill. (These are noticed in the separate articles dealing with each of these parties.) Again, where bonds (not strictly negotiable) are placed in the hands and under the full control of an agent for disposal by the owner of them, the principal is precluded, or estopped, from saying that a person who takes the bonds, in good faith and for value,

from the agent, has not got a good legal title to the bonds. In such a case the title to the bonds is founded on estoppel.

ESTREAT.—An estreat is a copy or a true extract of some original document or record.

ETHER.—A colourless, transparent, mobile liquid, lighter than water and very volatile. It has a peculiar odour and a somewhat fiery taste. It is prepared by heating alcohol with sulphuric acid. Ether is highly inflammable, and when its vapour is mixed with air an explosive mixture is formed. Its uses are numerous. It is employed in freezing machines, and is a valuable solvent of fats, alkaloids, resins, etc. Mixed with oxygen, it is used in the production of limelight, and in chemical analysis it is much used for the separation of oils from other organic matters. In medicine it is an important anaesthetic, being sometimes applied locally, e.g., by dentists, sometimes inhaled in the place of chloroform, and sometimes administered as a hypodermic injection to stimulate the heart. Its chemical symbol is $(C_2H_5)_2O$.

ETHIOPIA.—(See ABYSSINIA.)

ETTARE.—(See FOREIGN WEIGHTS AND MEASURES—ITALY.)

ETTOGRAMMA.—(See FOREIGN WEIGHTS AND MEASURES—ITALY.)

ETTOLITRO.—(See FOREIGN WEIGHTS AND MEASURES—ITALY.)

ETTMETRO.—(See FOREIGN WEIGHTS AND MEASURES—ITALY.)

EUCALYPTUS.—Also known as the gum tree. An evergreen Australian tree of the myrtle family, of which there are numerous varieties, one of the most important being the *Eucalyptus globulus*, which yields a volatile, aromatic, antiseptic oil. The manufacture of this oil is now an important industry in Australia. It is used not only medicinally, but also in the preparation of various soaps and perfumes. The eucalyptus tree has been introduced into Africa and Central America, and is sometimes cultivated in British greenhouses. Its aromatic odour is its chief characteristic. This is particularly noticeable in the resinous exudation obtained from it, and used medicinally as an antiseptic. The wood is durable and hardens with time, and the bark yields tannin.

EUPHORBIA.—Sometimes called a gum-resin, but actually a juice obtained from various species of the spurge family in North Africa, the East Indies, the Canary Islands, and Arabia. Minute quantities of a tincture prepared from an Australian variety are occasionally administered in cases of asthma, bronchitis, etc.; but its use is chiefly confined to veterinary medicine. Plasters to be applied in affections of the joints are sometimes made of a mixture of Burgundy pitch and euphorbia.

EUROPE.—Although it is the smallest of all the continents, Europe is by far the most important, both from a commercial and from a political point of view. In fact, if one excludes the United States of America and Japan, the different countries of Europe may be said to control the world, individually or in conjunction, and, although it is not so rich in a natural sense as some of the other great divisions, its industrial activity has enabled it to obtain whatever is desirable from other lands by the medium of an exchange of manufactured articles. In shipping, also, Europe is supreme; and a great part of the carrying trade of the world, in various climes, is conducted by the vessels of the different European countries.

Europe is bounded by different seas, except on its eastern side, where it is contiguous to Asia, the dividing lines being generally accepted as the Ural Mountains, the river Ural, and the Caucasus Mountains, though this is not quite accurately settled. Its coast line is exceedingly irregular, owing to the indentation of seas and gulfs and the projection of peninsulas and promontories. A detailed examination of these would require an enormous amount of space, and for that reason reference should be made to the map, which will give all the information necessary, all special matters connected with the different countries being set out in full under separate headings.

The area of the mainland of Europe is about 3,560,000 square miles, and the total area, including its various islands, is over 3,850,000 square miles. It is about one-fifth the size of Asia, and one-third the size of Africa. Its greatest length, from Cape St. Vincent to the Ural Mountains, is 3,370 miles; its greatest breadth, from Cape Nordkyn to Cape Matapan, is 2,400 miles. Its coast line is about 20,000 miles in length, but if the minor inlets are taken into consideration, the length is at least 50,000 miles.

Relief. In the continent of Europe there is to be found every diversity of surface. The mean elevation is nearly 1,100 ft. One-half at least of the surface is less than 600 ft. above the level of the sea, and, consequently, its proportion of lowland is greater than that of any other continent. As it does not possess the immense plains which are so characteristic of America, Europe has not the same uniform flora and fauna as the New World. But, on the other hand, as it has not the great deserts and elevated tablelands which are so common in Asia and Africa, there are not the great contrasts to be found in Europe which are so marked in the greater part of the Old World.

The mountain systems of Europe, lying mainly in the south, confer upon the southern portion of the continent an irregular and hilly aspect; while the northern portion, extending from the North Sea, through Holland, Prussia, and Russia, is generally flat, or but little interrupted by elevations or depressions. In spite of this difference between the south and the north, the greater part of Europe except in those regions within the Arctic circle, has been more or less cultivated and improved; and in spite of the fact that there are still large tracts occupied by natural forests, heaths, sandy wastes, and marshes, on the whole this continent has been more modified by man than any other.

There are five distinct mountain systems, which may be indicated as follows—

(1) *The Iberian*, belonging to the peninsula of Spain and Portugal. This system includes the Pyrenées (separating the peninsula from France), the Cantabrian Mountains, and the mountains of Toledo. In addition, there are the Sierra Morena and the Sierra Nevada. In several parts these rise well above the snow line.

(2) *The Alpine*, which includes the whole of the lofty mountains which radiate in ranges from Switzerland as a centre. The Alps proper belong, in the main, to Switzerland, but under various names they extend almost from the Mediterranean Sea to Bohemia. One great offshoot is the Apennines, which form a kind of backbone for Italy, and terminate in the still active volcano of Etna, in Sicily. Another offshoot is the Balkan range with the Pindus range, which are the

characteristic heights of the Balkan Peninsula. And, last of all, there are the Carpathian Mountains of Hungary.

(3) *The Scandinavian*, extending in a north-easterly direction through Norway and Sweden from the Naze to the North Cape, a distance of over 1,100 miles. These mountains are very rich in veins of minerals, especially iron, copper, lead, zinc, and antimony.

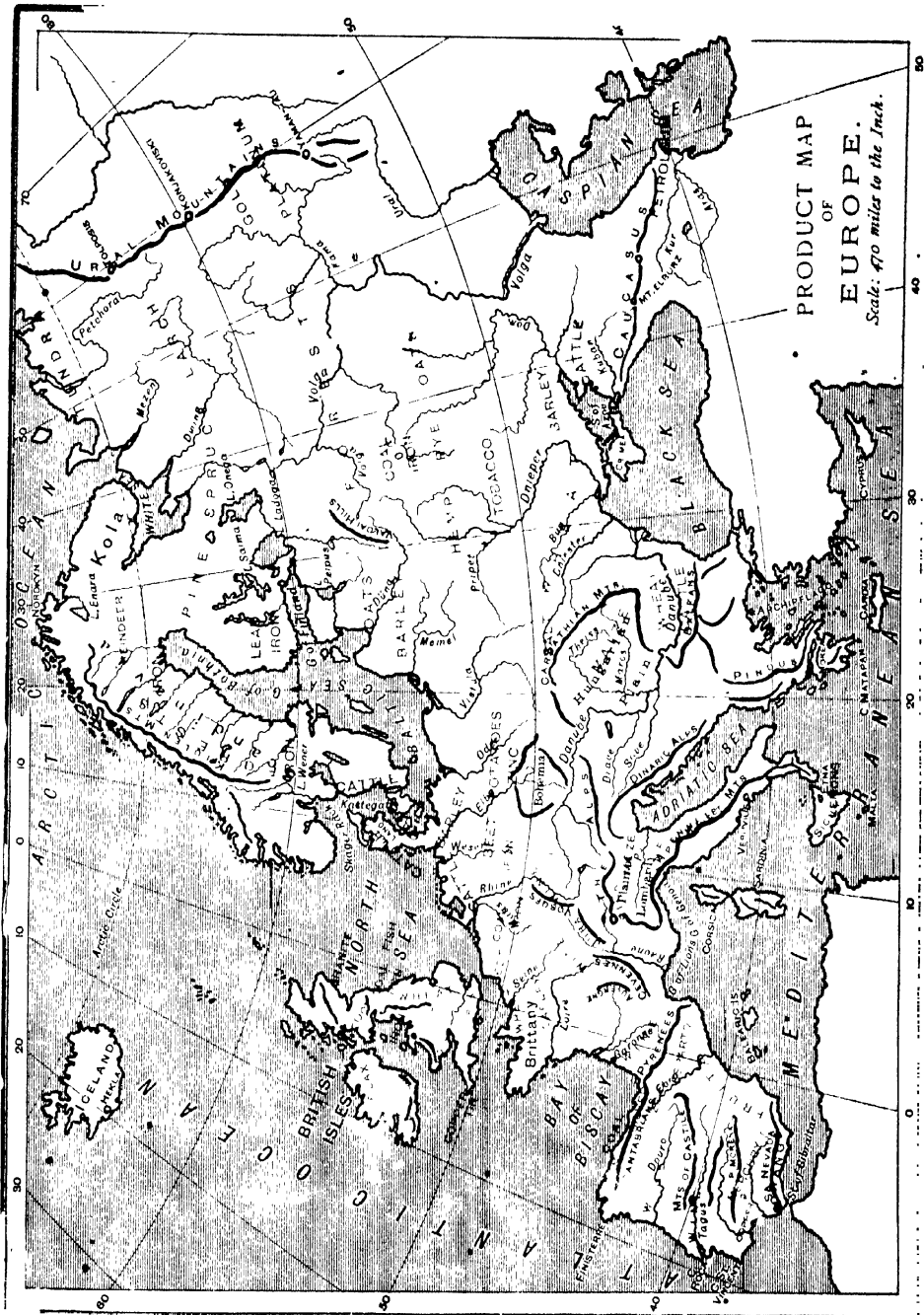
(4) *The Ural*, forming the natural, though not exactly the political, dividing line between Europe and Asia. The Ural Mountains, like the Scandinavian, are rich in metals and minerals, gold, platinum, iridium, malachite, and diamonds being found in plenty.

(5) *The Caucasian*, stretching from the Black Sea to the Caspian Sea. This range is also rich in minerals. It includes several great peaks, especially Mount Elburz (18,570 ft.), i.e., about 3,000 ft. higher than Mont Blanc.

The chief rivers of Europe are of great commercial importance, with the exception of the Dwina, which flows in the Arctic Ocean, and is closed by ice during the greater part of the year. The Rhine rises in Switzerland, and after reaching Basle, it flows with a navigable course to the North Sea, entering the same by the longest of European deltas, in Holland. It is 760 miles in length, and has more great cities on its banks than any other river in the world. In addition to the commerce carried on by means of steamers and sailing vessels, it is remarkable for its immense rafts. The principal tributaries of the Rhine are the Aar, the Moselle, and the Maas on the left bank, and the Main, the Lahn, and the Ruhr on the right bank. The Rhone also rises in the Alps, in Switzerland, flows through the lake of Geneva, and then, passing Lyons, follows a directly southern course to the Mediterranean. One of the most rapid of European rivers, it is only navigable near its mouth. Its length is about 500 miles. Its principal tributaries are the Saône, the Doubs, the Isère, and the Durance. The Danube rises in the Black Forest and pursues a course of nearly 1,750 miles, eventually discharging itself into the Black Sea. It is a most important waterway from Ulm, in Bavaria, to its mouth. Its tributaries are very numerous, but those which are mostly navigable, and which provide such excellent communication in Central Europe, are the Theiss, the Drave, and the Save. Although the Danube is fairly rapid in parts, the adoption of specially constructed steamers has made the river and its tributaries an easy way of transport. The Volga is the longest river in Europe, having a course of about 2,400 miles. It rises in the Valdai Hill, and discharges its waters into the Caspian Sea. It is the great natural waterway of Russia, and amongst its most important tributaries are the Kama and the Viatka. All these rivers, as well as the other important ones of the continent of Europe (no reference is made here to the United Kingdom) are noticed in greater detail in separate articles dealing with the different countries.

The lakes of Europe may be placed in two divisions: The highland region of Switzerland and Italy, the lowland of Russia and Sweden. The former include Geneva, Constance, Neuchâtel, Lucerne, Zurich, Lugano, Como, Maggiore, and Garda; whilst the chief of the latter are Ladoga, Onega, Peipus, Wener, Wetter, and Malai.

Geology. Europe presents every system of geology, from the deepest seated granites to the



PRODUCT MAP
OF
EUROPE.
Scale: 470 miles to the Inch.

latest volcanic lava or the most recent alluvia. From the broken and undulating nature of the soil, these formations are repeatedly brought to the surface in the northern and western districts, northern and eastern Russia being the only areas where formations are continuous over wide areas. In this way, the mineral treasures of Europe become the more readily available, and these consist in general terms of granites, marbles, limestones, coals, ironstones, gypsum, rocksalt, sulphur, sandstones, fire-clay, pottery-clays, sands, flints, etc.; also of iron, copper, tin, lead, silver, mercury, and other useful metals. This abundance of useful minerals and metals enabled the inhabitants of Europe to engage at an early period in the arts, manufactures, and commerce; and it is to this same abundance that the present superiority in mechanical, manufacturing, and commercial industry is mainly to be attributed.

Climate. Owing to the fact that so much of the continent of Europe is not very distant from the sea, as compared with other continents, the climate is more of an insular than of a continental character. The Gulf Stream also tends to accentuate this peculiarity, and, in addition, there have to be taken into consideration the effects springing from drainage and the efficient cultivation of the soil. The extremes of temperature, therefore, are not so noticeable here as elsewhere.

Economic Conditions. A discussion of the economic conditions of the continent of Europe means a discussion of each separate country, and its particular industries and natural productions. As already noticed, each of the countries of Europe is dealt with fully in a separate article, and in these several articles there will be found the fullest information on the subject.

The map of Europe represents the division of the continent in 1920. If any further adjustment has to be made, which is not improbable, an amended map will be inserted in the Appendix.

EVEN.—This is a term used on the Stock Exchange to signify that when securities are carried over, there is neither contango nor backwardation to pay.

EVERLASTING FLOWERS.—Also known by the French name, "Immortelles." The general name given to certain flowers of the order *Compositae*, which retain their colour and form for a long period after being gathered and dried. *Helichrysum bracteatum* is the best known species. It grows in France, Italy, and Germany, where the preservation of the flowers forms an important industry. One of the main uses of the flowers is for memorial wreaths, for which purposes they are bleached white. A species now grown in Cape Colony produces a naturally white flower. Great Britain and the United States are the principal purchasers of immortelles.

EX ALL.—Shares are said to be sold "ex all" when the dividend just due, any bonus, return of capital, and right to claim new stock or share are retained by the seller.

EXCESS BAD DEBT INSURANCE.—(See INDEMNITY INSURANCE.)

EXCESS PROFITS.—The rapid rise of prices and profits, and the urgent necessity for providing funds for the conduct of the Great War led to the imposition of a new tax, called the Excess Profits Duty, by the Finance (No. 2) Act, 1915. For present purposes it is sufficient to cite two of the sections of that Act, sections 38 and 39, which are as follows—

Section 38 (1) There shall be charged, levied, and paid on the amount by which the profits arising from any trade or business to which this part of this Act applies, in any accounting period which ended after the 4th August, 1914, and before the 1st July, 1915, exceeded, by more than £200, the pre-war standard of profits as defined for the purposes of this part of this Act, a duty (in this Act referred to as "excess profits duty") of an amount equal to fifty per cent. of that excess.

(2) For the purposes of this part of this Act the accounting period shall be taken to be the period for which the accounts of the trade or business have been made up, and where the accounts of any trade or business have not been made up for any definite period, or for a period for which they have been usually made up, or a year or more has elapsed without accounts being made up, shall be taken to be such period not being less than six months or more than a year ending on such a date as the Commissioners of Inland Revenue may determine. Where any accounting period is a period of less than a year this section shall have effect as if there were substituted for £200 a proportionately reduced amount.

(3) When a person proves that in any accounting period, which ended after the 4th August, 1914, his profits have not reached the point which involves liability to excess profits duty, or that he has sustained a loss in his trade or business, he shall be entitled to repayment of such amount paid by him on excess profits duty in respect of any previous accounting period, or to set off against any excess profits duty payable by him in respect of any succeeding accounting period, such an amount as will make the total amount of excess profits duty paid by him during the whole period accord with his profits or losses during that period.

Section 39. The trades and businesses to which this part of this Act applies are all trades or businesses (whether continuously carried on or not) of any description carried on in the United Kingdom, or owned or carried on in any other place by persons ordinarily resident in the United Kingdom excepting—

- (a) husbandry in the United Kingdom; and
- (b) offices or employments; and
- (c) any profession the profits of which are dependent mainly on the personal qualifications of the person by whom the profession is carried on and in which no capital expenditure is required, or only capital expenditure of a comparatively small amount,

but including the business of any person taking commissions in respect of any transactions or services rendered, and of any agent of any description (not being a commercial traveller, or an agent whose remuneration consists wholly of a fixed and definite sum not depending on the amount of business done or any other contingency).

The duty of 50 per cent was increased by subsequent legislation, but in 1919 it was reduced to 40 per cent, and it remains to be seen whether it will be continued for any length of time.

The calculation of the duty has caused considerable trouble, and much criticism has been levelled as to its incidence, especially in the case of professions. Into these points it is impossible, however

to enter into discussion. The duty exists, and it is applicable to all those trades and businesses which are not specially exempted.

EXCHANGE.—The giving or the taking of one thing or commodity for another. In commercial language, it is used to denote the method of dealing with debts owing by one country to another, and is thus largely concerned with bills of exchange, etc.

An exchange is also a building or place of resort for merchants and others, the name being adopted from the circumstance that buying and exchange of merchandise, and the exchanging or payment of money, form the chief business transacted.

EXCHANGES, FOREIGN.—(See FOREIGN EXCHANGES.)

EXCHEQUER BILLS.—These were promissory notes which were formerly issued by the English Government. They first came into existence at the end of the seventeenth century, and constituted the floating debt of the country for about 170 years. They have now gone out of existence, and their place has been taken by Treasury Bills (*q.v.*)

EXCHEQUER BONDS.—Bonds which are issued under the authority of Acts of Parliament, by the Lords Commissioners of His Majesty's Treasury. They usually run for periods of from three to five years, and it is seldom that they are issued for a longer term than ten years.

The following is an actual specimen of an Exchequer Bond forming part of an issue to be all paid off in ten years—

Exchequer Bond.

Per Acts 29 Vict. c. 25, 52 Vict. c. 6 and 5 Edw. VII., c. 4.

B00413 £200 B00413

This Bond, unless previously drawn and redeemed as hereafter set forth, entitles the Bearer to receive the sum of TWO HUNDRED POUNDS on April 18, 1915, at the rate of £2 15s. per cent. per annum, payable as follows, on October 18, 1915, a first dividend, being interest accrued from April 18, 1915, upon the various instalments of the subscription money as they severally become due, and thereafter by quarterly dividends, payable on January 18, April 18, July 18, and October 18, on presentation of the coupons hereunto attached, being interest upon the total capital sum hereby secured.

This bond forms part of an issue amounting to a total of ten million pounds, which amount will be paid off in ten years from the date hereof at the rate of one-tenth part of the total issue in each year in accordance with regulations made by the Treasury, and the bonds so drawn will be paid off at par as on April 18 in that year, from which date interest thereon will cease.

The principal and interest of this bond are chargeable on the consolidated fund of the United Kingdom, pursuant to Act 5 Edw. VII., c. 4, and are payable at the Bank of England.

London, April 18, 1915

Secretary to His Majesty's Treasury.

NOTE.—The numbers of the bonds drawn for repayment in each year will be advertised in the "London Gazette" not less than two months prior to the date of redemption. Drawn bonds, when presented for payment, must be accompanied by all coupons bearing date subsequent to that on which the principal becomes repayable.

EXCISE.—The Excise is a species of tax levied upon goods which are manufactured within the country, and hence differing from Customs (*q.v.*), and also upon certain licences which permit particular trades and professions to be carried on. Since the transfer of the granting of certain licences to local authorities, a division has been made between those forms of Excise which are administered by the Board of Customs and Excise, and those which are administered by the local authorities. The present article refers to the former, the latter being dealt with under the heading of LICENCES (*q.v.*). Other charges, sometimes referred to under Excise, are noticed under the heading STAMPS (*q.v.*), and are administered by the Board of Inland Revenue.

Since, like the Customs, the money derived from Excise is primarily required for the purposes of the Government, the rate of taxation is liable to change from time to time, and the present article deals with the Excise as it existed at the beginning of 1920.

EXCISE DUTIES

	£	s	d
Beer Brewed in U.K. whereof the worts are or were before fermentation of a specific gravity of 1055°. For every 36 gall.	3	10	0
Herb Beer For every gall.			2
Cards Playing For every pack			3
Chicory For every cwt	1	12	0
Cider: Also Perry. For every gall.			4
Coffee Mixture Labels For every 4 oz.			1½
Entertainment Where the payment, excluding duty, on admission to any exhibition, performance, amusement, game or sport to which persons are admitted for payment, is—			
Up to 2½d.			½
Exceeds 2½d. but not 4d.			1
" 4d. " 4½d.			1½
" 4½d. " 7d.			2
" 7d. " 1s.			3
" 1s. " 2s.			4
" 2s. " 3s.			6
" 3s. " 5s.			9
" 5s. " 7s. 6d.	1	0	
" 7s. 6d. " 10s. 6d.	1	6	
" 10s. 6d. " 15s.	2	0	
After the first 15s. for every 5s. and/or fraction			6

Exemptions. Where the whole of the undertakings are devoted to philanthropic or charitable purposes without any charge on the takings for any expenses. Where the entertainment is entirely educational. Where for children only and the highest charge is 1d. Where for partly educational or scientific purposes by an Association not formed for profit. Where for the object of reviving national pastimes in the case of associations not for profit. Where provided by or for a school, etc., established or conducted not for profit.

Glucose: Liquid For every cwt.	9	9½
Solid	13	6½
Lighters Requiring Spirit Each	1	0
Others		6

	£	s.	d.
<i>Matches</i> : (a) For every 10,000 . . .	5	0	
(b) Where a box contains more than 80 matches, on all matches exceeding 80, for every 10,000 . . .	3	4	
<i>Medicine</i> Labels In Great Britain only. Where price of medicine is—			
Up to 1s	3		
„ 2s 6d	6		
„ 4s	1	0	
„ 10s	2	0	
„ 20s	4	0	
„ 30s	6	0	
„ 50s	1	0	0
Exceeding 50s.	2	0	0
<i>Molasses</i> : (a) Containing not more than 50% sweetening matter The cwt	4	9½	
(b) Containing more than 50% and less than 70% The cwt	9	8	
(c) Containing more than 70% The cwt	13	6	
Less one-sixth after 1st Sept, 1919			
<i>Perry</i> For every gall	4		
<i>Playing Cards</i> Each pack	3		
<i>Railways</i> : Payable on the receipts from the passenger service For every £100—			
(a) Urban traffic	2	0	0
(b) Otherwise	5	0	0
Exemption on fares not exceeding 1d per mile			
<i>Saccharin</i> And similar substances For every ounce	6	11½	
<i>Snuff</i> See <i>TOBACCO</i>			
<i>Spirits</i> Home made, if warehoused for 3 years or over For every proof gall	2	10	0
<i>Additional</i> —			
If warehoused for less than two years or not at all For every proof gall	1	6	
If warehoused for two years but not three years For every proof gall	1	0	
<i>Sugar</i> . Where it does not exceed 1% of polarization	11	2	
Exceeds 76° but not 77°	11	6 8	
„ 77° „ 78°	11	11 3	
„ 78° „ 79°	12	3 8	
„ 79° „ 80°	12	8 3	
„ 80° „ 81°	13	0 8	
„ 81° „ 82°	13	5 2	
„ 82° „ 83°	13	9 7	
„ 83° „ 84°	14	2 8	
„ 84° „ 85°	14	7 8	
„ 85° „ 86°	15	0 8	
„ 86° „ 87°	15	5 9	
„ 87° „ 88°	15	11 5	
„ 88° „ 89°	16	5 1	
„ 89° „ 90°	16	11 8	
„ 90° „ 91°	17	6 5	
„ 91° „ 92°	18	1 1	
„ 92° „ 93°	18	1 1	
„ 93° „ 94°	19	2 7	
„ 94° „ 95°	19	5 4	
„ 95° „ 96°	1	0	4 1
„ 96° „ 97°	1	0	10 8
„ 97° „ 98°	1	1	5 6
„ 98°	1	3	4

Less one-sixth after 1st Sept, 1919
Table Waters: Which are fermented beverages or contain any sweetening material. For every gall

4

	£	s.	d.
Herb Beer For every gall			2
Others For every gall			8
<i>Tobacco</i> : Home-grown—			
Cavendish or Negrohead manufactured in bond For every lb.	10	4½	
Unmanufactured—			
(a) Containing more than 10 lb of moisture in every 100 lb For every lb	8	0	
(b) Containing less than 10 lb of moisture in every 100 lb For every lb	8	10½	
Less one-sixth after 1st Sept, 1919			

EXCISE DRAWBACKS.—On the export of a commodity which has suffered excise duty, a drawback of the tax may be claimed. A drawback is payable even though the goods may be damaged or lost after shipment. The following table gives the rates of excise drawbacks as they existed at the beginning of 1920—

<i>Beer</i> On exportation or for use as ship's stores, or depositing in bond for such. Of an original gravity of 1055° For every 36 gall	3	10	3
And so on in proportion for any difference in gravity.			
<i>Chutney</i> Roasted for every cwt	1	14	4
<i>Glucose</i> Made in Great Britain or Ireland, on exportation or as ship's stores	According to duty paid		

Duty will be repaid on the deposit of Glucose in a warehouse for the manufacture of Cavendish and Negrohead

<i>Molasses</i> Produced in Great Britain from Sugar made therein and delivered to a licensed distiller for the use of Spirit manufacture For every cwt	4	9½	
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Provided duty was paid at a corresponding rate

<i>Saccharin</i> And similar substances made in Great Britain	According to duty paid		
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Spirits Of all descriptions, except British Plain Spirits, as follows

(a) Warehoused for three years or more For every proof gall	14	9	
(b) Warehoused for two years but not three years For every proof gall	15	9	
(c) Less than two years For every proof gall	16	3	

Provided duty was originally paid at these rates

<i>Sugar</i> Home-grown and on which the proper Excise duty has been paid	Equal to the duty on Sugar of like polarization		
---------------------------------------------------------------------------	-------------------------------------------------	--	--

Goods (except Beer) where Sugar or other sweetening matter has been used. Respecting quantity of sweetening matter

Tobacco Same as Customs Drawbacks. (See CUSTOMS FORMALITIES)

EXCISEMEN.—Also known as Inland Revenue officers. They are the officers who are charged with the collection of the excise (*qv*)

EX COUPON.—Without the interest coupon.

EXCURSION TRAINS.—Excursion trains are passenger trains not part of the ordinary passenger service of a railway company, but specially advertised to run between special places, and on special occasions, and on conditions and at fares varying from the terms ordinarily applicable to passengers. There are generally special conditions as to the return trains, and as to the amount of luggage, sometimes luggage being altogether prohibited. In *Rumsey v. North-Eastern Railway Company*, 1863, 32 L. J. C. P. 244, the plaintiff was a passenger who had taken a cheap first-class excursion ticket subject to the express condition, of which he had notice, that no luggage was allowed. He had, nevertheless, put his portmanteau, which weighed less than 150 lbs. (the amount allowed free to first-class passengers by ordinary trains), into the train. It was held that he was bound to pay for the carriage of the portmanteau. Where a person has, by fraud, induced another to perform a service for him, intending not to pay for the performance of it, still there is a liability implied by the law, which may be enforced in the same way as an obligation arising out of an express contract. The rights and obligations of the company and passenger by an excursion train, except so far as may be agreed upon, are the same as in the case of ordinary passengers. A contract by a railway company to carry a passenger from one station to another does not, in the absence of special terms, entitle the passenger to break the journey at any intermediate station (*Ashton v. Lancashire and Yorkshire Railway Company*, 1904, 2 K. B. 313). The contract is entered into for the whole distance and nothing else.

Since the control and management of the railways passed into the hands of the Government, excursion trains have been unknown, and it is not at all likely that they will be revived—at least, not at present—or, if they are, upon such advantageous terms as in days gone by.

EX DIVIDEND.—This means without the dividend which is due. When stock is sold, it is presumed, unless there is an agreement or some custom to the contrary, that any dividend which is owing upon it is carried over with the sale to the buyer, and it is then sold "cum dividend."

EX DRAWING.—This is a term which is used when bonds are sold without any benefit that may arise from a drawing which is about to take place.

EXECUTION.—This is the name given to the peculiar process by which the judgment of a court of law is enforced.

In the article ACTION it has been pointed out what are the various judgments to which a person may be entitled in law. If an injunction is obtained, disobedience to it renders the offender liable to attachment (*q. v.*); and if specific performance (*q. v.*) is ordered, a similar result may ensue. But when execution is spoken of, it is generally assumed that the process to be followed is that which results from an award of money damages. If the person against whom an award is made does not pay the sum awarded, or the costs, the successful party issues a writ of execution for the purpose of satisfying the judgment. The most common form is the writ of *fi. fa.* (*q. v.*)—generally known as the writ of *fi. fa.*—under which the sheriff is ordered to seize the goods of the judgment debtor and to sell the same in satisfaction of the judgment debt. Execution must be carefully distinguished from distress (*q. v.*). Under the latter all goods may be seized, with certain reservations, which are on the premises

distrainted upon. Under the former, nothing can be taken which is not the actual property of the judgment debtor. If the debtor is possessed of lands, the order to seize the lands is carried out by means of a writ of *elegit* (*q. v.*). Again, if the judgment is for the possession of premises and the delivering up of the same to the judgment creditor, the sheriff is empowered to enter upon the premises and to eject the defendant, who is a trespasser.

As the sheriff is empowered to seize everything which is the property of the judgment debtor, he is entitled to follow the debtor's goods, wherever they are. But he cannot break into premises except at his own risk; and, in any case, a breaking-in is not permissible by law until there has been a refusal of admission.

Sometimes it is not possible to obtain satisfaction by the seizure of the debtor's goods or lands; but the debtor may be entitled to property in the possession or under the control of some other person or persons. It is then necessary to have recourse to what is called "equitable execution," which may be of various kinds. Thus, a receiver (*q. v.*) may be appointed to collect any debts that are due, or a garnishee order (*q. v.*) may be obtained, under which the debtors of the judgment debtor are compelled to pay the amounts which they owe direct to the creditor. (See ACTION.)

EXECUTION CREDITOR.—Where a creditor has issued execution against the goods or lands of a debtor, or has attached any debt due to him, he cannot retain the benefit of the execution or attachment against the trustee in bankruptcy, unless he has completed the execution or attachment before the date of the receiving order, and before notice of the presentation of any bankruptcy petition by or against the debtor, or of the commission of any available act of bankruptcy by the debtor.

An execution against goods is completed by seizure and sale; an attachment of a debt is completed by receipt of the debt; and an execution against land is completed by seizure; or, in the case of an equitable interest, by the appointment of a receiver. An available act of bankruptcy is one which is available for a petition at the date of the one on which the receiving order is made, and an act of bankruptcy is available for a petition if committed within three months before its presentation. An execution creditor who has seized and sold may retain the benefit of his execution, although the seizure and sale is itself an act of bankruptcy; but unless the execution is completed before the sheriff has been in possession for twenty-one days, the sheriff holding the goods for that time will avoid execution. A judgment creditor who has obtained an order for a receiver is not a creditor who has issued execution within this Section. A sale is not completed until all the goods have been sold, but if a contract to sell is complete before the act of bankruptcy, and only formal acts are necessary to carry out the contract, those acts may be done after bankruptcy. Where the sheriff who is carrying out an execution on behalf of a creditor is served with a notice of a receiving order, he must hand over the goods and money seized to the official receiver. He must also pay the proceeds (less cost of execution) of goods sold or money paid to avoid a sale in respect of a judgment for a sum exceeding £20, on receiving, within fourteen days, notice of a petition by or against a debtor against whom a receiving order is afterwards made on that or some other petition of which the sheriff has

notice. An execution creditor must, if called upon, satisfy a landlord's claims for a year's rent.

EXECUTOR.—An executor is the person who has been appointed by the will of a testator to see that the directions contained in the will are carried out. The feminine form of the word is "executrix." An executor may be appointed by name or by implication, e.g., as where a person is to have the testator's goods to pay debts, or where a person is appointed executor if another will not act; but in the latter case he is called an executor according to the tenor of the will. Again, a testator may leave the appointment of an executor to a third person, and such third person may appoint himself to the office, unless there is a contrary intention expressed in the will.

Where there is no will there can be no executor. The person who is then appointed to administer the estate of the deceased is called an administrator (*q.v.*), or administratrix. There may be, of course, more than one executor of an estate, but a single administrator is usual.

The rights and duties of executors and administrators are practically the same, except that the former must carry out the directions contained in the will of the deceased, whilst the latter, where there is no will, have nothing further to consider than the obligations laid upon them by the law.

Any person may be appointed as executor unless he is specially excluded by law. Lunatics and idiots are, of course, incapable of acting, for they lack understanding. An infant can be appointed, but he cannot act so long as he is a minor, but can act on attaining his majority. When an infant is named sole executor, an administrator with the will annexed must be appointed to act during the minority, if an infant is one of several executors, those who are not minors can act, and a grant of administration is not necessary. A married woman may act independently of her husband as executrix since the passing of the Married Women's Property Act, 1882, and may sue or be sued without her husband as if she were a *feme sole*. An alien is as capable of acting as a natural-born or a naturalised citizen. A partnership firm, a company, or a corporation may each be appointed. A grant of the probate of a will is made to the members of a partnership firm individually, and not to the firm as a firm, whilst in the case of a company or corporation aggregate letters of administration, with the will annexed, are granted to a representative of the company or corporation. There are now several companies existing who undertake the offices of executors and trustees for an agreed commission as their particular business.

No special form of words is required for the appointment of an executor, but a testator should make his appointment clear so as to save unnecessary expense. If there is no executor expressly appointed, any person who has duties imposed upon him by the will may be an executor according to the tenor of the will. It has (e.g.) been decided that where a testator appointed a person "to hold and administer in trust all my estate well known to the said H. E.," this was sufficient to constitute H. E. an executor according to the tenor; in short, if it is clear from the language of the will or testamentary document that a particular person was intended to act as executor, that person will be appointed executor according to the tenor. The court, however, will not find that trustees named in the will

are executors according to the tenor unless there is some direction that they are to do some act of an executory character.

An executor is generally appointed absolutely, but his appointment may be limited and extend to certain property only, or it may be only for a specified period. Again, on the death of a single or surviving executor, the executorship is transmitted to the executor named, if there is one, in the will of the executor; but where there are two executors, and one dies, the survivor becomes sole executor. But there is no transmission of an administratorship, nor does an executorship devolve upon the administrator of the estate of an executor or administrator. Whenever anything remains to be done to an estate, and there is no executor surviving, an administrator must be appointed to administer the portion of the estate which has been left unadministered. Where a person appointed executor renounces probate, the right of representation is as if he had never been appointed.

A person who intermeddles, without authority, with the estate of a deceased person, may render himself liable to be sued by creditors and legatees, and be put to much inconvenience. He is called an executor *de son tort*, i.e., of his own wrong. It has been said that he has all the disadvantages and none of the advantages of a properly constituted executor, but he is not liable beyond the amount of the assets which have come into his hands, and he may plead in an action brought against him that he has fully administered the estate. Examples of acts which constitute an executor *de son tort* are: (1) Demanding or receiving payment of debts due to the deceased; (2) paying the debts of the deceased out of the assets; (3) acting in fraud of creditors as the administrator of the deceased; but placing the deceased's goods in safety, arranging the funeral, and paying the expenses out of the assets, making an inventory of the deceased's goods, or receiving assets as agent for the lawful executor (provided that in so acting he does nothing that a lawful executor or administrator could not have done), do not constitute an executor *de son tort*. Thus an executor *de son tort* has all the liabilities, but none of the privileges (e.g., retainer) of a lawful executor.

No one is compelled against his will to accept the office of executor; nor need he accept it after the death of the testator, even though he promised during the lifetime of the deceased to act as executor, for he has given no consideration for the promise. There must, however, be a clear renunciation, which must be made before any act is done which lies within the ordinary province of an executor, or before anything is done from which an inference might be drawn that the person named in the will had decided to act as executor. The acceptance or renunciation must be complete; there cannot be a partial acceptance and a partial renunciation, or a conditional acceptance. If a person unduly delays in making up his mind whether he will accept, he may be cited before the Probate Division by any of his co-executors or by a proposed administrator. If an executor administers without obtaining probate within six months of the testator's death, he will be liable to a penalty of double the amount of duty chargeable, as a debt to the Crown. If the executor of an executor has accepted the executorship of his own testator, he cannot renounce the executorship of the original testator. When an executor has

renounced probate, he will not be permitted to retract his renunciation without good cause.

Where two or more executors are appointed by a will, they are considered as one person, and in the administration of the effects the acts of one are deemed to be the acts of all. Thus one of several co-executors may, *e.g.*, release a debt, surrender a lease, or sell a chattel. Where probate has been granted to one of several co-executors, it enures to the benefit of all. If an executor, who has not proved, intermeddles, he will be readily deemed to have accepted office. The surviving executor acts, after the death of the others, in the place of all. It is the first duty of the executors to bury the deceased in a suitable manner, and they will be allowed such expenses as are reasonable under the circumstances; this must obviously be done before the probate of the will can be granted. There are also many other things which may be done before a grant of probate, or of letters of administration, but it is prudent to obtain the one or the other as soon as possible; indeed, in the latter case, great difficulties may arise at very early stages of any semi-administration. On the other hand, an executor derives his authority entirely from the will, and probate is a mere ceremony evidencing his right to act. But no executor can proceed in an action at law in any matter concerning the estate of the deceased without producing the probate, which is the sole evidence of his title. The authority of co-executors is joint and several, so that one can release a debt so as to bind his fellow, and each executor has entire control over the testator's estate.

Executors have full power to sell, assign, mortgage, or pledge the assets of the testator. In a recent case it was alleged that an executor, without the knowledge of his co-executor, had, fourteen years after his testator's death, pledged certain plate of his testator and had misappropriated, for his own purposes, the money raised upon the plate, and it was held that such a transaction as between the executor and the pawnbroker was valid. An executor may sell, mortgage, or pledge any of the personal estate, even after twenty years, and if he does so, he is presumed to be acting in the exercise of the duties imposed upon him by will, so that the purchaser or assignee is under no liability to creditors or legatees. In certain matters, such as the granting of leases, they may be restrained by any special terms inserted in the will. In the payment of claims they have the peculiar right of retainer (see EXECUTOR'S RETAINER), that is, they may retain the amount of their own debts in priority to any debts owing by the testator of the same degree. Even statute-barred debts may be paid, but not if they have been sued upon and disallowed on that account. Other debts, which are unenforceable by reason of various statutes, may not be paid. If the executors do nevertheless pay them, an action may be commenced against the executors by the beneficiaries under the will for the repayment of the money so illegally expended. An executor or administrator may pay or allow any debt or claim on any evidence he deems sufficient, and may accept any composition, or any security, real or personal, for any debt, or for any property, real or personal, claimed; and may allow time for payment of any debt, and may compromise, compound, abandon, submit to arbitration, or otherwise settle any debt, account, claim, or thing whatever relating to the testator's

or intestate's estate, and execute agreements, releases, etc.

For the purpose of relieving executors and administrators from too lengthy a period of administration, an Act was passed in 1859, commonly known as Lord St. Leonard's Act, by which the representatives of a deceased person were enabled to advertise in the *London Gazette* and three other newspapers, one being a local one, calling upon creditors and others having claims to come in and make good the same on or before a fixed date. The notice is well-known, and it goes on to declare that on the expiration of the fixed time the assets of the deceased will be distributed, regard being had only to those claims of which notice has been given, and that the executors will not be liable to any person of whose claim they have not had notice at the time of the distribution of the assets. This method exonerates the executors completely, but it in no way prejudices the right of a creditor to follow the assets into the hands of any persons who have received the same.

The duties of an executor or administrator are briefly as follows—

(1) To bury the deceased, incurring only such funeral expenses as are warranted by the estate and condition of the deceased.

(2) To prepare an accurate inventory of the goods and chattels of the deceased.

(3) In the case of a will, to obtain probate of the same within six months of the death of the deceased.

(4) To pay all the necessary death duties.

(5) To collect and realise the estate.

(6) To liquidate the outstanding debts of the deceased.

(7) To pay the legacies left by the will.

(8) To make whatever investments are ordered or are necessary.

(9) To distribute the residue.

(10) To keep accurate accounts of all matters connected with the estate, and obtain a proper discharge on the completion of the administration.

There are special rules in the administration of assets which are applicable both to the order in which the assets are to be devoted to the payment of debts, and also to the order in which the debts are to be paid (See ADMINISTRATION OF ASSETS, ADMINISTRATION ORDER).

Until the passing of the Land Transfer Act, 1897, only the personal estate of the deceased and not the real estate vested in his executor. Since 1897, however, the real estate also vests in the executor, and any person who claims the same must acquire his title through an executor. By Section 2 of the Act it is provided that the personal representatives of a deceased person shall hold the real estate as trustees for the persons legally entitled to the beneficial interest in the same, and that those persons shall require a legal transfer to be made.

Section 3 of the Act is as follows—

"(1) At any time after the death of the owner of any land, the personal representatives may assent to any devise contained in his will, or may convey the land to any person entitled thereto as heir, devisee, or otherwise, and may make the assent or conveyance either subject to a charge for the payment of any money which the personal representatives are liable to pay, or without any such charge; and on such assent or conveyance, subject to a charge for all moneys (if any) which the personal representatives are liable to pay, all

liabilities of the personal representatives in respect of the land shall cease, except as to any acts done or contracts entered into by them before such assent or conveyance.

"(2) At any time after the expiration of one year from the death of the owner of any land, if his personal representatives have failed on the request of the person entitled to the land to convey the land to that person, the court may, if it thinks fit, on the application of that person, and after notice to the personal representatives, order that the conveyance be made, or, in the case of registered land, that the person so entitled be registered as proprietor of the land either solely or jointly with the personal representatives.

"(3) Where the personal representatives of a deceased person are registered as proprietors of land on his death, a fee shall not be chargeable on any transfer of the land by them unless the transfer is for valuable consideration.

"(4) The production of an assent in the prescribed form by the personal representatives of a deceased proprietor of registered land shall authorise the registrar to register the person named in the assent as proprietor of the land."

Where a man is actively engaged in business on his own account, he ought to take special care to give directions in his will as regards the business, and to indicate what proportion of his estate is to be employed in it. Otherwise executors may find themselves personally liable to creditors for continuing the same. The safest plan, when there are no directions in the will, is to sell the business, though this step should not be hurriedly taken to the injury of the estate, but it should be sold so as to procure the best price reasonably obtainable. Where executors carry on the business of their testator in accordance with his instructions and with the assent of the creditors, they are entitled to be indemnified out of the testator's estate against liabilities properly incurred in the conduct of the business in priority to the claims of the testator's creditors. The liability of a partner ceases on death, for his death determines the partnership, and his estate is not liable for debts contracted after his death.

In order that the executor may have time to inform himself of the state of the testator's assets, and to pay his debts, legacies are not payable until after the expiration of a year from the death of the deceased, although the will may direct earlier payment. This is known as the executor's year, but executors are not compelled to delay payment for so long a period. On the other hand, an administrator would be acting unwisely to make any distribution of an intestate's estate until a year has expired. In the case of legacies payable to infants, the money should be paid into court, and not to the infant or to his parent, or other person, on his behalf, unless there is a special direction to that effect in the will. Trustees have the power in certain cases to apply the income of an infant's property for his maintenance, education, or benefit, but an executor should not pay money for advancement of an infant out of capital without the leave of the court. Where an executor of his own accord pays a legacy, he cannot compel the legatee to refund the money in order to pay other legatees, but it is otherwise if he pays it under legal compulsion, further, if, after he has paid legacies, debts appear of which he had no notice at the time of payment, he can call on the legatee to repay.

A creditor whose debt has not been paid can compel a legatee to refund.

Executors are jointly responsible for the funds which come into their hands. They must use prudence in dealing with the same, otherwise they will render themselves liable for any losses which arise. An executor has no authority in law to carry on his testator's business or trade, and if he does so without the order of the court he will, if the assets are deficient, be liable himself for the debts contracted since the testator's death. Also an executor must not leave the unlimited control of the funds comprised in the estate to his fellow-executor or executors, except at his own risk. An executor who by his act puts his co-executor into sole possession of assets is liable for the loss resulting if the act was not necessary, unless it was done in the regular course of business. Executors are just as responsible as trustees, and, like them, they are entitled to no remuneration for their services, however laborious or valuable, unless there is a special provision as to compensation contained in the will. The only deductions that are allowed to be made are for out-of-pocket expenses incurred in the executorship. Where an executor or administrator has wasted the assets, he is guilty of what is known in law as a *devastavit*, and is personally liable, as far as he had, or might have had, assets of the deceased (See ADMINISTRATION, ADMINISTRATORS).

Executor's Accounts. An executor, and equally an administrator, must account for all profits which have accrued during the time of his office, either spontaneously or by his own acts, out of the deceased's estate. Thus if he carries on the business or trade of the deceased, whether in pursuance of the articles of partnership entered into by the deceased, or by a direction in the testator's will, or under an order of the court, he must account for the profits as assets of the deceased. To give other examples, he must account for all profits arising from (a) a lease, (b) occupying buildings at less than fair rent, (c) the purchase of legacies, (d) a sale to himself, (e) compounding debts or mortgages, (f) private speculations. Where he employs the assets in trade for his own benefit, the beneficiaries are entitled to interest at 5 per cent. on the assets, or to the actual profits at their option; and surviving partners who are the executors of the testator and use his assets in the business must account for the profits so made. The executor may even be made to account for and pay over the profits, even though the persons in partnership with whom he made those profits are not made parties to the suit. It has been laid down that: "If an executor commits a breach of trust, he and all those who are accomplices with him in that breach of trust are all and each of them bound to make good the trust funds and interest. If an executor or a trustee makes profit by improper dealing with the assets or trust fund, that profit he must give up to the trust, if that improper dealing consists in embarking or investing the trust money in business, he must account for the profits made by him in such employment in such business; or at the option of the *cestui que trust*; or if it does not appear or cannot be made to appear what profits are attributable to such employment, he must account for trade interest, that is to say, interest at 5 per cent." As a general rule, an executor cannot purchase part of the assets for himself, but must account for any profit made as trustee; he will be answerable for all loss sustained in consequence of a breach of

trust, but will have to account for any gain. As to partnerships, the Partnership Act, 1890, provides:

"Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with its capital or assets without any final settlement of accounts as between the firm and the outgoing partner or his estate, then, in the absence of any agreement to the contrary, the outgoing partner or his estate is entitled, at the option of himself or his representatives, to such share of the profits made since the dissolution as the court may find to be attributable to the use of his share of the partnership assets, or to interest at the rate of 5 per cent. on the amount of his share of the partnership assets."

Where an executor invests the assets in unauthorised securities, he must answer for all deficiencies, and give up to the estate all profits. In short, if an executor deliberately acts with regard to the testator's property otherwise than his trust requires, he puts himself in this position: if there is any loss he must make it good; if there is any gain, it will not be for him, but for the beneficiary. An executor or administrator may be charged with interest on the assets retained in his hands in two cases: (1) If he unreasonably neglects to invest money in his hands for the benefit of the estate. The neglect must be unreasonable, *e.g.*, he will not be liable if it is necessary to keep considerable sums in his hands during the first year of his office to meet demands on the estate, but if he keeps money lying idle in his hands without any apparent reason or necessity, he will be charged with interest. In such cases the practice of the court now is to charge the executor with interest at 3 per cent. instead of 4 as formerly; and the court will not charge more than 3 per cent. unless a special case, *e.g.*, a direct breach of trust, is made out. (2) Where he has himself made use of the money, or has been guilty of some other misfeasance, to his own profit and advantage. Formerly the law was not so strict; but now it is settled practice that if the personal representative makes use of the money, he ought to pay the interest he has made, the principle being that he ought not to gain any profit from the trust property, and so it is now an established rule that if a trustee, having trust money in his hands, applies it intentionally to his own use, or in his business, he will be liable for interest at the rate of 5 per cent. If the money is employed in trade, the beneficiaries will have the option of either the interest or the profits derived from the trade, but they must decide to take either the profits, or the interest for the whole period, the minimum interest being 5 per cent. Where an executor mingles his private money with trust funds, and employs them both in trade, the beneficiary is entitled to have his share of the profits, if he so wishes, instead of interest on the trust funds employed. Even where an executor, who carries on a business, puts the trust assets in his bank in his own name, and thus gains additional credit to the advantage of his business, he will be liable to the beneficiary for interest.

As a general rule, simple interest only will be charged; but there are cases where in special circumstances an executor has been charged with compound interest, *e.g.*, where a legacy was bequeathed to an executor with a declaration that the legacy was in full for his trouble in performing his duties, and that he should not have any claim,

or derive any profit from keeping in his possession any sums of money, without duly accounting for the legal interest thereof; the executor did not lay out the money as directed by the will, but used a large proportion of it in his trade, thus wilfully transgressing the will, and was, in consequence, ordered to pay compound interest. The principle appears to be that an executor ought to be charged only with the interest he has actually received, or which the court is properly entitled to say he ought to have received, or to presume he did receive, and beyond that he should not be punished.

Where an executor carries on the business of his testator, he will be liable to the trade creditors for any debts he makes in carrying on the business; but if he is carrying it on under the directions of the will, he will be entitled to an indemnity from the estate of a testator against the trade debts; and where the testator's creditors agree to the business being carried on, the indemnity will take precedence over the claims of the creditors.

An executor is bound to keep accurate and distinct accounts of the property which he has to administer; and so, if he deliberately mixes the accounts with those of his own business, he cannot refuse to produce the original books, in which any portion of those accounts may be inserted. Speaking generally, an executor can only be charged for money actually received by himself, or his agent, and not for a default by his co-executor; and he is held responsible only for money actually received, and not for money he might have received except for his own default, a special case must be shown to make him account on the latter basis, and the plaintiff must prove at least one act of wilful default. Where an executor is required to furnish accounts in respect of the estate, he is entitled to be paid or to have the costs of so doing secured, before he complies, and this is equally so in the case of a solicitor. (See EXECUTOR'S ALLOWANCES)

EXECUTOR'S ALLOWANCES.—An executor or administrator is entitled to be allowed all reasonable expenses which have been incurred by him as such, except those which are due to his own default, but in general he will be allowed nothing, either in law or in equity, for personal trouble and loss of time incurred in his office of executor or administrator. If the executor at first refuses to act and afterwards lends his assistance, or even if he has benefited the estate to the prejudice of his own business, the position is the same; nor is a surviving partner, who is an executor, entitled except by the direction of the testator to any allowance for carrying on the business after the testator's death. Where the personal representative is a solicitor, he will be entitled to out-of-pocket costs only, unless expressly authorised by the will to receive profit costs; but the principle does not apply to costs incurred in a suit where the solicitor acts in the suit for himself and his co-trustees, in which case he will be allowed the costs properly chargeable by a stranger to the trust, but not any increase of costs due to the fact that he is one of the parties.

Where a solicitor is sole executor and trustee of a will, and the estate proves to be insolvent, he will not be entitled to charge profit costs, even if a clause in the will empowers him to charge profit costs, for such a clause amounts to a legacy to the solicitor, and being a gift, he cannot compete with the creditors.

In the same way an agent, who becomes the executor of his principal, has no right to charge

commission on business done after the testator's death, *e.g.*, an executor who acts as auctioneer at the sale of the assets, cannot charge commission.

An executor in general must collect the assets himself, but he is entitled to employ an agent to collect the estate, in cases where a prudent man would be justified in employing an agent, and to be credited in his accounts for expenses so incurred, *e.g.*, executors may employ a collector to collect the weekly rents of several houses, or if there are assets in India, the executor may instruct an agent to collect them at the expense of the estate; or if the accounts of the estate are difficult and complicated, an accountant may properly be employed to assist.

An executor may, in proper cases, employ and pay out of the assets a solicitor to transact the testator's affairs, but he will not be allowed the charges of his solicitor for doing what the executor ought to do himself. And so a solicitor, who is executor, and under the will is entitled to charge for his services as solicitor, can only charge for services properly professional, and not for services which any non-professional executor ought to do himself, such as attending to pay premiums on policies, or to make transfers, and the like.

Where executors have borrowed or advanced money out of their own pockets for the purpose of paying the debts of their testator which carry interest, or the debts of unfortunate creditors who threaten litigation, they are entitled not only to be paid in full out of the assets in preference to the creditors, but also to be allowed interest for the money so borrowed or advanced. Where, however, an executor receives money to which he is not entitled, and pays it away to creditors, he will be liable to refund it.

In taking any account directed by any order or judgment of the court, all just allowances are now to be made without any direction for that purpose. Accounts on the basis of wilful default are not made on the ordinary administration judgment, but if wilful default is charged and evidence adduced, accounts and inquiries on that footing may be ordered at any stage of a suit (See *Executors, Executors' Accounts*.)

EXECUTORSHIP ACCOUNTS.—Efforts have been made on various occasions to compel all trustees (which term includes executors) to keep proper accounts recording their dealings, but, unfortunately, the congestion of public business has prevented a Bill (which did once pass the Lords) from being introduced into the House of Commons, and consequently the subject was dropped. There can be little doubt that eventually legislation will be effected with the above object, but quite apart from the question of compulsion in the matter it is extremely desirable that executors should keep, or have kept on their behalf, accurate accounts to fully record their transactions, inasmuch as they may be called upon at any time by the court to bring in accounts, if an application by an interested party is made to that effect.

The first duties which are usually performed by an executor after the death of his testator are (a) to arrange for the burial of the deceased; (b) to prepare an account of assets and liabilities, render same to the Inland Revenue and pay estate duty thereon; and then (c) to take out probate, that is, to obtain from the Probate Division of the High Court of Justice a legal authority to act as the personal representative of the deceased person. Probate will not be granted until estate duty

has been paid, and this cannot be done until the executor has had prepared the estate duty account for the Inland Revenue authorities, and agreed with them the amount of the duty. The forms on which the estate duty account is prepared vary according to whether or not the deceased had any interests in settled property, and whether there is personal property only, or real and personal, and also whether or not the gross value of the estate exceeds £500, but the object is in all cases practically the same, *viz.*: To show (1) the estimated value of the property which "passes" by reason of the death of the deceased; and (2) full particulars and the estimated values of the real and personal estate of which the deceased was competent to dispose, together with details of debts, funeral expenses, and encumbrances. The household goods, pictures, jewellery, etc., and freehold and leasehold properties, ships and shares of ships, must all be valued by competent valuers, and the valuations annexed to the account. Stocks and shares must be included at the published quotations at the date of death, or the values placed upon them supported by bankers' certificates or letters from the secretaries of the companies. Where there is a published quotation, a price one-quarter up from the lower to the higher of the official closing prices should be adopted as an estimated price, and where the death occurred on a day for which no prices are available, the price for the day before should be taken. If the deceased was the sole proprietor of a business, the various assets and liabilities must be shown in the account under the several appropriate headings, but if he was a partner in a firm his share in the real and personal property of the firm is to be stated, and supported by a balance sheet signed by the surviving partners.

The debts, encumbrances on real estate, and funeral expenses which are allowed as deductions from the gross value of the estate are all to be scheduled, and then a summary of the whole is prepared showing the total net value of the estate, and thus fixing the appropriate rate of estate duty.

The estate duty is a graduated stamp duty, which increases with the net value of the estate which passes on the death, and is payable at the rates shown on page 658 according to the Finance Act, 1919.

But where the gross value of an estate, without deducting debts, does not exceed £300, a fixed duty of 30s. may be paid, and where such value does not exceed £500, a fixed duty of 50s. may be paid, in satisfaction of duty and interest. In other cases, interest is payable on the duty on the personal property from the date of death to the date that the estate duty account is rendered at the rate of 3 per cent. per annum, but interest is not payable on the duty on the real estate if the duty is paid within one year of the date of death. Furthermore, the duty on real estate may be paid by eight yearly or sixteen half-yearly instalments, with interest at the rate of 3 per cent. per annum on the outstanding instalments from one year after the date of death; but if the realty is sold the unpaid duty must be paid at once.

The Inland Revenue account for estate duty may be taken as the basis of the executor's books of account. These consist usually of a cash book and ledger, but in some cases, according to circumstances, it is desirable to keep a journal and special property registers. It is a good practice to copy an epitome of the will on the first folio of the ledger, in order

Value of Estate. Exceeds £100 and does not exceed	Rate per cent. charged.
£500 ..	1
£1,000 ..	2
£5,000 ..	3
£10,000 ..	4
£15,000 ..	5
£20,000 ..	6
£25,000 ..	7
£30,000 ..	8
£40,000 ..	9
£50,000 ..	10
£60,000 ..	11
£70,000 ..	12
£80,000 ..	13
£90,000 ..	14
£110,000 ..	15
£130,000 ..	16
£150,000 ..	17
£175,000 ..	18
£200,000 ..	19
£225,000 ..	20
£250,000 ..	21
£300,000 ..	22
£350,000 ..	23
£400,000 ..	24
£450,000 ..	25
£500,000 ..	26
£600,000 ..	27
£800,000 ..	28
£1,000,000 ..	30
£1,250,000 ..	32
£1,500,000 ..	35
£2,000,000 ..	40

to avoid frequent references to a full copy when dealing with the accounts.

The cash book should be ruled with two columns on each side, for capital and income receipts and payments respectively. A third column for the bank items is sometimes used, but as it is usual to bank all receipts and make all payments by cheque, the capital and income columns together form a detailed bank account, and the absence of the bank column, which merely contains the totals of the other columns, is not of importance.

The ledger should provide two columns on each side of the accounts, also for capital and income. The following is a list of the accounts usually desirable in the ledger—

1. Estate account (sometimes called corpus or capital account)
2. An account for each investment.
3. Debts due by the deceased.
4. Funeral expenses account.
5. Testamentary expenses account.
6. Executorship expenses account.
7. Legacies account.
8. Income account.
9. An account for each life tenant.
10. An account for each annuitant.
11. An account for each residuary legatee

A balance sheet should be drawn up at regular intervals, usually as at the anniversary of the date of death.

The ledger will be opened from the particulars in the Inland Revenue account, the assets being credited to the estate account and debited to their several separate accounts; and the liabilities of the deceased and funeral expenses will be debited to the estate account and credited to appropriate

accounts. The balance then appearing in the estate account represents the amount on which estate duty has been paid, and it is advisable to bring this balance down.

The cash transactions subsequently supply the material for writing up the accounts. As the executor collects the proceeds of realisation of the various assets, the amounts are entered in the capital column of the cash book and posted to the credit of the asset account in the ledger, and any surplus or deficiency on realisation is transferred to the estate account. When dividends and interests are collected, regard must be paid to the terms of the Apportionment Act, 1870, which provides that all periodical payments in the nature of income shall be considered as accruing from day to day. Consequently when such income is received, any portion which is in respect of a period prior to the date of death must be treated as a collection of capital of the estate, and entered in the capital columns in the cash book and ledger. In this connection it should be noted that where an interim dividend has been received by the deceased during his lifetime and a final dividend at a different rate is collected by the executors, the apportionment should be made of the full year's dividend, the interim dividend collected by the deceased being treated as a receipt on account of the capital proportion. The second and subsequent receipts of income after the date of death from any investment are usually for periods wholly subsequent to the date of death; and, therefore, the full amount is entered in the income column of the cash book and posted to the corresponding column of the investment account, which is, in turn, balanced by periodical transfers to the income account.

As regards the credit side of the cash book, the entries recording the payment to the Commissioners of Inland Revenue of the estate duty, and the legal and other costs incurred in proving the will, are posted to the testamentary expenses account, but it should be noted that any interest paid on estate duty is entered in the interest columns, so as to eventually fall against the income of the estate. Payments on account of executorship expenses should be apportioned as between capital and income, those incurred in realising and consolidating the estate being chargeable to capital, and those which arise in the course of generally administering the estate being chargeable to income. Payments on account of legacies and the legacy duties thereon are charged to legacies account, and when a specific legacy is assented to by the executor the value thereof is transferred from the asset account in which it is included to the debit of the legacies account. The total of the legacies account is eventually transferred to the estate account.

If an investment is made, the full cost to the estate, including commissions and stamps, is treated as capital and posted to an investment account accordingly; and when the first interest or dividend is received from the investment it is treated as all income of the estate, in spite of the fact that a proportion thereof had accrued at the date the investment was acquired. On the other hand, on the sale of an investment the whole of the proceeds is to be treated as a capital receipt.

Payments to life tenants or annuitants should be charged to their personal accounts, such accounts being periodically credited with transfers from the income account of the estate.

When the time arrives for dividing the corpus of

the estate, the balance of the estate account, after realisation or re-valuation of the assets, is transferred to the credit of the accounts of the parties interested in their proper proportions, and then such accounts are met by payments of cash or the transference of investments.

A short set of accounts is shown later, but, before dealing with them, a few other matters should be noted.

In cases where there is the slightest doubt as to the solvency of the estate, the executor should be careful that the debts of the deceased are paid in their proper order, which is as follows—

1. Funeral expenses.
2. Testamentary and executorship expenses.
3. Debts due to the Crown
4. Debts having statutory priority.
5. Judgments recovered against the deceased and recognisances.
6. Specialty and simple contract debts.
7. Debts due on voluntary bonds.

A payment by an executor of a debt of lower degree than others which are still unpaid is looked upon as an admission of assets to meet those other debts (and the executor incurs personal liability therefor), but as between creditors of equal degree an executor may prefer one to another. He also has the right to retain out of the assets a debt due to himself from the deceased as against other creditors of the same degree.

The above order for payment of debts and rights of preference and retainer do not apply to the application of any equitable assets of the estate, out of which all debts are payable rateably.

If, after providing for the payment of the debts, the estate is insufficient to pay in full all the bequests and devises indicated by the will, the assets must be marshalled and applied to the payment of the debts in the following order—

1. The residue of the general personal estate.
2. Real estate specifically devised for the payment of debts.
3. Real estate not devised or of which the devise has lapsed.
4. Real or personal estate specifically devised or bequeathed, subject to the payment of debts.
5. General pecuniary legacies.
6. Real estate devised specifically or by way of residue, and personal estate specifically bequeathed, but not charged with the payment of debts.
7. Property over which the deceased had exercised by will a general power of appointment.
8. The paraphernalia of the widow.

In addition to the estate duty previously referred to, the real property and leaseholds are subject to a further duty called succession duty, and the personal estate (except leaseholds) to legacy duty. The rates of the succession and legacy duties are the same, and vary with the relationship between the deceased and the beneficiary, being as follows—

	Per cent.
Husband, wife, lineal ascendants and descendants	1
Brothers and sisters and their descendants	5
Other relations and strangers in blood	10
but the 1 per cent. duty is not payable—	
(a) if the principal value of the whole estate for estate duty does not exceed £15,000; or	
(b) if the beneficiary does not derive from the estate a total benefit in excess of £1,000; or	

(c) if the beneficiary is the widow of the deceased, or a child under twenty-one years of age, and does not derive from the estate a total benefit in excess of £2,000.

If the husband or wife of a legatee or a devisee is of nearer relationship to the testator than such beneficiary, the duty is only payable at the rate applicable for the beneficiary's husband or wife.

The executor is the person accountable to the Inland Revenue authorities for the legacy duty. On paying the legacy to the legatee, he should deduct the amount of the duty (unless the legacy is bequeathed free of duty) and take a receipt on the proper form. He must then pay the duty to the authorities within twenty-one days, otherwise interest will run and he will also become liable to penalties. When the residue of the estate is being divided, the executor must have a proper residuary account prepared for the authorities in all cases where the person taking the residue is liable to legacy duty, for the purpose of enabling the duty payable to be correctly assessed.

In choosing investments an executor must only invest in those securities which are authorised by the will, or, in the absence of such directions, by the law. Amongst those authorised by law are—

1. Government securities of the United Kingdom or India.
2. Securities of which the interest is guaranteed by Parliament.
3. Stock of the Bank of England or Bank of Ireland.
4. Preference, guaranteed, debenture, or rent charge stock of British railways, which have paid a dividend of at least 3 per cent. on the ordinary stock for each of the last ten years.
5. Preference, guaranteed, or debenture stock of British water companies which have paid a dividend of at least 5 per cent. on the ordinary stock for each of the last ten years.
6. Indian railway debenture stock, the interest on which is guaranteed by the Indian Government.
7. Stock of any municipal borough of over 50,000 inhabitants.
8. Stock of any county council issued under Act of Parliament.
9. Colonial stocks as to which certain conditions have been observed.
10. Mortgages on freehold property not in excess of two-thirds of the value of such property.
11. Stocks authorised for the investment of money under the control of the High Court.

A trustee must never acquire a redeemable stock at a premium in excess of 15 per cent. of its redeemable price, and if a stock is redeemable within fifteen years he must not acquire it at a price in excess of its redeemable price.

To illustrate several of the principles involved in the preparation of executorship and trust accounts, we will assume that Mr. Peter Street died on October 15th, 1909, and that his will provided for—

1. Bequests of £100 each, free of duty, to Mr. Arthur Street and Mr. Bernard Street, his brothers, who were appointed executors.
2. Bequest of the household furniture to his widow, Mrs. Mary Street, absolutely.
3. Bequest of £200 to his widow to be paid as soon as possible.
4. Bequest of £300 to the local hospital.

Estate Duty Account.

Freehold House	Market Prices	valued at	£1,500 0 0
		valued at	
£2,000 2½ per cent. Consolidated Stock of the United Kingdom	82½-82½	82½	1,648 2 6
£6,000 4 per cent. Debenture Stock of the West British Railway Co	108-110	108½	6,510 0 0
1,000 Shares in the City Engineering Co., Ltd., of £1 each fully paid		£1 1 0	1,050 0 0
Cash in the house			15 0 0
Cash on Drawing Account with the Lancashire and Yorkshire Bank, Ltd.			650 3 6
Edward Bennett—Loan on Mortgage at 4 per cent. Interest accrued—October 6th, 1909, to October 15th, 1909—10 days		2,000 0 0	
Less Income Tax (say)	£2 4 0 0 2 7		
Royal Assurance Society—Life Policy		2 1 5	2,002 1 5
Bonus additions		500 0 0 300 0 0	
Household Furniture, valued at			800 0 0 500 0 0
Debts due by deceased		£185 0 0	£14,675 7 5
Funeral Expenses		55 0 0	
			240 0 0
			£14,435 7 5
Estate Duty Account rendered November 12th, 1909—Rate of Duty 5 per cent. On Personal Estate—£12,935 7s. 5d. at 5 per cent		£646 15 4 1 9 9	
Interest for 28 days, at 3 per cent. per annum			648 5 1 75 0 0
On Real Estate—£1,500 at 5 per cent.			£723 5 1

5. Subject to the above legacies, the estate to be held in trust to pay the income to his widow for life, and afterwards to his son George and his daughter Dorothy in equal shares.

The estate duty account showed that the estate consisted of what is set out in the above table.

The insurance money was paid to the executors towards the end of November; the freehold house was sold in December; the debts and legacies were paid before the end of the year, and the various dividends were collected as they fell due.

The dividend received from the City Engineering Company, Ltd., on February 20th, 1910, was a final dividend at the rate of 10 per cent. per annum in respect of the half-year ended December 31st, 1909, making, with the interim dividend paid on August 20th, 1909, a dividend of 8 per cent. for the year. The shares were sold in July, 1910, and the proceeds invested along with other capital moneys then in hand.

The mortgage was called in by six months' notice given when the first interest fell due, and the proceeds invested.

At the end of the first half-year the balance of income in hand (except £20, which by arrangement was always retained to cover accruing expenses) was paid to the widow, and subsequent payments to her were made quarterly.

The widow died on June 20th 1911, and the estate was closed on August 4th, 1911, the daughter

taking over the Government and corporation stocks on account of her share.

ESTATE OF
THE LATE PETER STREET, ESQ.

LEDGER.

INDEX.	Account No.
Estate Account	1
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Balance Sheet—October 15th, 1910	21

[illegible]

Dr.		CASH.				CONTRA.		Cr.	
		Income.	Capital.			Income.	Capital.		
1910.		£	£ s. d.			£	£ s. d.		
Feb. 2	To Amounts brought forward ..	58 11 1	3,188 8 0	1910.	By Amounts brought forward ..	1 9 9	1,730 15.4		
	Income—77 days of £80 ..			April 15	" Mrs. Mary Street, Income Account ..	100 6 6			
	Less Income Tax (say) ..	0 19 8		June 30	" Executors' Expenses, Ac- countancy Charges ..	7 7 0			
April 5	Consolidated 2½% Stock, ½ yr.'s Interest to April 5th, 1910, less Income Tax, on £2,000 Stock ..	15 17 10		July 15	" India 3% Stock, Purchase of £3,000 Stock at 84½ .. £2,535 0 0				
" 7	E. Bennett, Mortgage, ½ year's Interest to April 5th, 1910, less Income Tax, on £2,000 at 4% per annum ..	11 15 5		" "	Add Commis- sion & Stamps ..	23 5 0			
June 30	Capital—10 days ..	8		" "	" Mrs. Mary Street, Income Account ..	12 11 6	2,558 5 0		
July 1	Bank Interest allowed ..	13		Oct. 12	" Executors' Expenses, Solic- itor's Bill of Costs and Ex- penses ..				
" 5	West British Railway 4% De- benture Stock, ½ year's Interest to June 30th, 1910, less Income Tax on £6,000 Stock ..	35 11 11	2 1 5	" "	On Capital Account ..	16	23 15 0		
" 11	Consolidated 2½% Stock, ½ yr.'s Interest to June 5th, 1910, less Income Tax, on £2,000 Stock ..	4 3 1		" 15	" Mrs. Mary Street, Income Account ..	58 0 6			
Oct. 5	City Engineering Co., Limited Shares, Proceeds of Sale of 1,000 Shares of £1 each, fully paid at 22/3 per Share net ..	113 0 0		" "	" Balances carried forward ..	20 0 0	1,990 4 1		
" 6	Consolidated 2½% Stock, ½ yr.'s Interest to October 5th, 1910, less Income Tax, on £2,000 Stk. ..	11 15 5							
" 8	India 3% Stock, ½ yr.'s Interest to October 5th, 1910, less In- come Tax, on £3,000 Stock ..	21 3 9							
" 9	E. Bennett Mortgage, ½ year's Interest to October 5th, 1910, less Income Tax, on £2,000 at 4% per annum ..	37 13 4							
" 10	E. Bennett, Mortgage, Repay- ment of Principal ..		2,000 0 0						
		321 7 3	6,302 19 5						

[illegible]

[illegible]

[illegible]

Dr.

Income 3% Stock.

(ACCOUNT NO. 4.)

Cr.

	Income.	Capital.		Income.	Capital.
	£ s d	£ s d		£ s d	£ s d
1910			1910.		
July 15 To Cash, Purchase of £3,000 Stock at 84½ £2,535 0 0			Oct. 5 By Cash, ½ year's Interest to Oct. 5, 1910, less Income Tax, on £3,000 Stock	21 3 9	2,558 5 0
Commissions and Stamps .. 23 5 0 C.B.			" 15 .. Balance	C.B. c/d	
Oct. 15 .. Income Account, Transfer .. 17	21 3 9	2,558 5 0			
	21 3 9	2,558 5 0		21 3 9	2,558 5 0
Oct. 15 To Balance b/d			1911		
1911			Jan. 5 By Cash, ½ year's Interest to Jan. 5, 1911, less Income Tax, on £3,000 Stock	21 3 9	
Aug. 2 .. Income Account, Transfers—To June 20th, 1911 .. 17	60 1 5		April 5 .. Cash, ½ year's Interest to April 5, 1911, less Income Tax, on £3,000 Stock	21 3 9	
After June 20th, 1911 .. 17	3 9 10		July 5 .. Cash, ½ year's Interest to July 5, 1911, less Income Tax, on £3,000 Stock	21 3 9	
(15/9/11st of £21 3s 9d) ..			Aug. 2 .. Re-valuation of £3,000 Stock at 80½	21 3 9	
			" .. Estate Account, Transfer of Deficiency on re-valuation .. 1		2,415 0 0
	63 11 3	2,558 5 0		63 11 3	2,558 5 0
2 To re-valuation of £3,000 Stock at 80½ b/d		2,415 0 0	" 4 By Miss Dorothy Street, Transfer of £3,000 Stock 20		2,415 0 0

Manchester Corporation 3% Stock.

Dr.

(ACCOUNT NO. 5.)

Cr.

	Income.	Capital.		Income.	Capital.
	£ s d	£ s d		£ s d	£ s d
1910.			1911		
Oct. 25 To Cash, Purchase of £2,300 Stock at 86 £1,978 0 0			Feb. 1 By Cash, ½ year's Interest to Jan. 31, 1911, less Income Tax, on £2,300 Stock	32 9 9	
• Add Commission and Stamps .. 13 10 0			Aug. 1 .. Cash, ½ year's Interest to July 31, 1911, less Income Tax, on £2,300 Stock	32 9 9	
"1911.			" 2 .. Re-valuation of £2,300 Stock at 85		1,955 0 0
Aug. 2 .. Income Account, Transfers—To June 20th, 1911 .. 17	57 12 4		" .. Estate Account, Transfer of Deficiency on re-valuation .. 1		36 10 0
After June 20th, 1911 (41/181st of £32 9s. 9d.) .. 17	7 7 2			64 19 6	1,991 10 0
	64 19 6	1,991 10 0	" 4 By Miss Dorothy Street, Transfer of £2,300 Stock 20		1,955 0 0

West British Railway 4% Debenture Stock.

(ACCOUNT No. 6)

Dr.

		Income.		Capital.				Income.		Capital.	
		£	s d.	£	s d.			£	s d.	£	s d.
1909.						1910					
Oct. 15	To Estate Account, Value, for Pro- bate purposes, of £6,000 4% Stock at 108½ 1			6,510	0 0	Jan. 1	By Cash, ½ year's Interest to Dec. 31 1909, less Income Tax, on £6,000 Stock C.B.	47	5 9	651	4 3
1910.						July 1	" " Cash, ½ year's Interest to June 30 1910, less Income Tax, on £6,000 Stock C.B.	113	0 0		
Oct. 15	" Income Account, Transfer .. 17			160	5 9	Oct. 15	" " Balance c/d			6,444	5 9
								160	5 9	6,510	0 0
1911.						Jan. 2	By Cash, ½ year's Interest to Dec. 31 1910, less Income Tax, on £6,000 Stock C.B.	113	0 0		
Oct. 15	To Balance b/d				6,444	5 9					
Aug. 2	" Income Account, Transfers— To June 20th, 1911 17 After June 20th, 1911 (10/181sts of £113) 17			219	15 11	July 1	" " Cash, ½ year's Interest to June 30 1911, less Income Tax, on £6,000 Stock C.B.	113	0 0		
				6	4 1	" 15	" " Cash, Proceeds of Sale of £6,000 Stock at 106 .. £6,360 0 0 Less Commis- sion 15 0 0				
						Aug. 2	" " Estate Account, Transfer of Deficiency on realisation .. 1			6,345	0 0
				226	0 0			226	0 0	6,444	5 9

City Engineering Co., Ltd., Shares.

(ACCOUNT No. 7.)

Dr.

		Income.		Capital.				Income.		Capital.	
		£	s d.	£	s d.			£	s d.	£	s d.
1909.						1910					
Oct. 15	To Estate Account, Value, for Pro- bate purposes, of 1,000 Shares of £1 each, fully paid, at 21/- 1			1,050	0 0	Feb. 21	By Cash, Final Dividend on 1,000 £1 Shares at 10% per annum, less Income Tax, for the half- year to Dec. 31, 1909, making (with the Interim Dividend) 8% for the year C.B.	15	17 10	31	4 8
Oct. 15	" Income Account, Transfer .. 17			15	17 10	July 11	" " Cash, Proceeds of Sale of 1,000 Shares at 22/3 per Share net .. C.B.			1,112	10 0
" "	" Surplus on realisation .. 1				93	14 8		15	17 10	1,143	14 8

Dr. Edward Bennett Mortgage on Property situate Blank Street, Blankborough. (ACCOUNT No. 8.) Cr.
Interest payable April 5th and October 5th.

	Income.		Capital.			Income.		Capital.	
	£	s d	£	s d		£	s d	£	s d
1909.					1910.				
Oct. 15	To Estate Account, for amount of Mortgage at 4% per annum ..	1	2 000	0 0	April 7	By Cash, 1/4 year's Interest to April 5, 1910, less Income Tax, on £2,000 at 4% per annum ..	C.B.	35 11 11	2 1 5
" "	" Estate Account Interest, accrued from Oct. 6th to date £2 4 0				Oct. 6	" Cash, 1/4 year's Interest to Oct 5, 1910, less Income Tax, on £2,000 at 4% per annum ..	C.B.	37 13 4	2,000 0 0
1910.	Less Income Tax (pay) ..	0 2 7	1		" "	" Cash, Repayment of Principal C.B.			
Oct 15	" Income Account, Transfer ..	17							
			73 5 3	2 1 5				73 5 3	2,002 1 5

Dr.		Royal Assurance Society.		(ACCOUNT No 9.)		Cr.	
1909.		£	s	d	£	s	d.
Oct. 15	To Estate Account, Policy on Life				Nov. 26	By Cash	800 0 0
						.. .. C.B.	

669

Dr.		Household Furniture and Effects.		(ACCOUNT No 10.)		Cr.	
1909.		£	s	d	£	s	d.
Oct. 15	To Estate Account, Value for Probate purposes ...	1					

Dr.		Debts owing by the Deceased.				(ACCOUNT No. 11)				Cr.			
		£		s d.		£		s d.		£		s d.	
1909.													
Nov. 30	To Cash, Sundry Persons (in detail)	C.B.											
						</							

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Dr.		Cr.
1909	To Cash, Mrs. Mary Street, Legacy C.B.	200 0 0
Nov. 30	" " Arthur Street, Legacy C.B.	100 0 0
Dec. 22	" " Bernard Street, Legacy C.B.	100 0 0
" "	" " Local Hospital, Legacy ..	300 0 0
" "	" " Less Legacy Duty ..	30 0 0
" "	C.B.	270 0 0
" "	Household Furniture and Effects specifically bequeathed to Mrs. Mary Street, at Probate valuation	500 0 0
30	" " Cash, Commissioners of Inland Revenue, for Duty or Legacies as follows— Arthur Street, 5% on £100 .. 5 0 0 Bernard Street, 5% on £100 .. 5 0 0 Local Hospital, 10% on £300 C.B.	40 0 0
		1,210 0 0
	Oct 15 By Estate Account, Transfer	1,210 0 0
	1910	
	(Account No. 15.)	

Dr.	Executorship Expenses.				(ACCOUNT NO. 16.)				Cr.
	Income.		Capital.		Income.		Capital.		
	£	s	d	£	s	d	£	s	d
1910									
June 30	To Cash, Accountancy Charges	CB							
Oct. 12	" " Solicitor's Bill of Costs								
	and Expenses—								
	On Capital Account	CB		23 15	0				
	On Income Account	CB							
				12 12	0				
				19 19	0				
				23 15	0				
1911.									
Aug. 4	To Cash, Solicitor's Charges—								
	To June 20th, 1911	CB.							
	After June 20th, 1911	CB.		4 14	6				
	Cash, Accountancy Charges—								
	To June 20th, 1911	CB		5 5	0				
	After June 20th, 1911	CB.							
				9 19	6				
				17 17	0				

[illegible]

Dr.		Mrs. Mary Street—Income Account.				Deceased June 20th, 1911.				(ACCOUNT No 18)		Cr.	
1910		£		s. d.		£		s. d.		£		s. d.	
April 15	To Cash, Balance of Income to date	C.B.	100	6	6	Oct. 15	By Income Account, Transfer of Balance of Income	..	17	299	18	6	
July 15	" " "	C.B.	121	11	6								
Oct. 15	" " "	C.B.	58	0	6								
" "	" Balance ..	c/d	20	0	0								
			299	18	6					299	18	6	
1911.													
Jan. 16	To Cash, Balance of Income to date	C.B.	147	1	8	Oct. 15	By Balance ..	..	b/d	20	0	0	
April 15	" " "	C.B.	65	8	11	1911.							
Aug. 4	" " to Representatives to Balance..	..	169	12	9	Aug. 4	" Income A/c, Transfer of Balance of Income to June '0, 1911	..	17	362	3	4	
			382	3	4					382	3	4	

Dr.	George Street—Share of Residue Account.	(ACCOUNT NO. 19.)	Cr.
1911.	To Cash, in satisfaction of Share of Residue C.B.	1911 Aug. 4	£ s. d. 6,143 15 3
		By Estate Account, for one-half of the Residue 1	£ s. d. 6,143 15 3

[illegible][illegible]

EXECUTOR'S RETAINER.—An executor or administrator has the right to keep back the amount of his own debt out of the legal assets of the testator which come into his hands, in priority to any other creditor of the testator in an equal degree. The ground for this special privilege is that an executor or administrator cannot sue, himself, for he is the legal representative of the deceased, and, therefore, any other creditor might obtain priority over the executor by means of a judgment, and so prevent the executor receiving anything in satisfaction of his own debt, in case the assets of the deceased are insufficient to pay all creditors.

An executor may retain his debt, even though the debt is barred by the Statute of Limitations, unless he has already brought an action upon it during the lifetime of the testator and failed to obtain judgment, but he cannot retain a debt which is unenforceable by reason of some statutory provision, e.g., the Statute of Frauds or the Sale of Goods Act. (See **EXECUTOR**.)

EXEQUATUR.—When a consul (*q.v.*) is appointed to act in a foreign country, he is appointed by commission or by patent issued by his own country. This commission or patent does not of itself allow him to exercise his functions. It must be confirmed by the country to which he is appointed, and this confirmation is made by means of a document called an "exequatur." It is issued by the Foreign Office. The grant of an exequatur does not follow as a matter of course. The country to which a consul is accredited may decline to issue it, or may withdraw it if issued. This, however, is a rare occurrence, and would only take place in cases of gross misconduct or something similar. The form of the exequatur varies in different countries. In some countries it does not go beyond a notification that the appointment of the consul is duly recognised.

EXHIBIT.—In swearing an affidavit (*q.v.*) it sometimes happens that reference is made in the body of the affidavit to some extraneous document, the contents of which are not set out. Such a document is called an exhibit. A commissioner for oaths (*q.v.*) is entitled to make an extra charge for each exhibit attached to an affidavit.

Every exhibit must be marked or numbered for the purposes of identification, and this marking is done or attested by the commissioner. The most common method adopted is to take the initials of the deponent and to add numbers consecutively according to the number of the exhibits.

EXHIBITIONS.—One means, now quite frequently employed, of bringing goods to the notice of the public or the retailer, is by the trade exhibition. These exhibitions are often confined to one trade at a time, but sometimes a general business exhibition is held. Olympia is a favourite place in London for the larger exhibitions—such as the motor show—while in the Agricultural Hall are held such annual exhibitions as the Shoe and Leather Fair, Confectionery Exhibition, etc. Most of the large firms connected with the particular trade are represented, stands and offices being erected for the purpose of enabling them to display their products. A considerable amount of business is usually done, but the chief advantage of such exhibitions is the opportunity they offer for collective intercourse. All the new inventions are exhibited; and by seeing the various operations connected with an industry, new ideas are originated and new processes suggested, so that the general development, organisation, and progress of the industry

are stimulated. Some of the exhibitions are confined to the members of the particular trades, but many are open to the general public.

In connection with exhibitions, mention should be made of the Department of Overseas Trade which is doing so much to assist British manufacturers to capture overseas markets, particularly by the holding of trade exhibitions and fairs. In addition to organising the annual British Industries Fair, the Department contemplates the arranging for travelling exhibitions abroad, and has also under consideration a further scheme for the establishment of permanent exhibitions or show-rooms in the capitals and principal trading cities of Europe.

EX INTEREST.—Without interest.

EX MERO MOTU.—Latin: "Of one's own accord."

EX NEW.—When any new stock or shares are about to be issued in a joint stock company, and the first offer is made to the existing shareholders, a holder who sells his original holding "ex new" retains to himself the right to take up the new shares himself, instead of passing on the right to the purchaser of the shares.

EX OFFICIO.—This is a Latin phrase, which means "by virtue of one's office." Thus, a person is frequently appointed as an official in connection with a certain society because he happens to hold a particular position. He is then said to occupy his position "ex officio."

EXPANSIVE THEORY.—The theory that in a monetary crisis the Bank of England should expand, and not contract, its issues. The Bank Charter Act of 1844 placed restrictions upon the issue of notes, but in great financial crises, the Act has had to be suspended, and then instead of the bank restricting its issues, it has been permitted by the Government to increase them beyond the amount of its authorised issue, on each occasion the application of the Expansive Theory saved the situation after the Restrictive Theory, as contained in the Act, had proved to be ineffective.

EX PARTE.—Latin, "on one part," or "on one side." It is always applied to an application which is made to a court of law without an opponent being first of all warned or advised as to the matter. Thus, rules *nisi* (*q.v.*) for mandamus (*q.v.*), prohibition (*q.v.*), etc., are generally applied for in the first instance in this way. No final decision is ever given upon a mere *ex parte* application. The merits of the case are inquired into at a later stage.

Sometimes the phrase also signifies "on behalf of." Thus, in certain cases, especially bankruptcy matters, where there is neither plaintiff nor defendant, strictly so-called, the matter is headed "*In re A. B., ex parte C. D.*," and this signifies that an inquiry is being made into some matter which concerns A. B., but that the application is made by or on behalf of C. D., or is instituted by him.

EXPECTATION OF LIFE.—This signifies the average after-lifetime of a person of a given age, the calculation being made from statistics collected during the given number of years.

The expectation of life is of use in actuarial calculations, and also to a certain extent in estimating the values of life annuities and the amounts of life insurance premiums.

The following table gives the mean after-lifetime,

on expectation of life, of people in the United Kingdom, based upon the most recent returns—

Age.	Male.	Female.	Age.	Male.	Female.
0	44.13	47.77	53	17.01	18.58
1	52.22	54.53	54	16.40	17.91
2	54.12	56.34	55	15.79	17.24
3	54.26	56.49	56	15.19	16.59
4	53.98	56.25	57	14.61	15.95
5	53.50	55.79	58	14.04	15.32
6	52.88	55.18	59	13.48	14.71
7	52.16	54.47	60	12.93	14.10
8	51.36	53.68	61	12.39	13.51
9	50.51	52.84	62	11.87	12.94
10	49.63	51.97	63	11.35	12.37
11	48.73	51.09	64	10.84	11.81
12	47.84	50.21	65	10.34	11.27
13	46.96	49.34	66	9.86	10.74
14	46.08	48.48	67	9.38	10.22
15	45.21	47.61	68	8.93	9.72
16	44.34	46.75	69	8.48	9.24
17	43.50	45.92	70	8.05	8.78
18	42.67	45.09	71	7.64	8.33
19	41.84	44.27	72	7.24	7.90
20	41.02	43.44	73	6.86	7.48
21	40.21	42.62	74	6.50	7.08
22	39.40	41.80	75	6.15	6.70
23	38.60	40.99	76	5.81	6.34
24	37.80	40.17	77	5.49	5.99
25	37.01	39.37	78	5.19	5.67
26	36.22	38.56	79	4.90	5.35
27	35.43	37.76	80	4.62	5.05
28	34.64	36.97	81	4.36	4.77
29	33.85	36.17	82	4.11	4.51
30	33.07	35.39	83	3.88	4.26
31	32.29	34.60	84	3.66	4.02
32	31.51	33.83	85	3.45	3.80
33	30.75	33.05	86	3.25	3.59
34	29.99	32.29	87	3.07	3.39
35	29.24	31.52	88	2.89	3.21
36	28.50	30.77	89	2.73	3.04
37	27.77	30.02	90	2.58	2.87
38	27.05	29.28	91	2.43	2.73
39	26.34	28.54	92	2.30	2.59
40	25.64	27.82	93	2.17	2.46
41	24.94	27.09	94	2.06	2.34
42	24.25	26.37	95	1.95	2.23
43	23.56	25.64	96	1.85	2.13
44	22.88	24.92	97	1.75	2.04
45	22.20	24.20	98	1.67	1.95
46	21.52	23.48	99	1.58	1.88
47	20.86	22.76	100	1.51	1.81
48	20.20	22.05	101	1.44	1.74
49	19.54	21.35	102	1.36	1.68
50	18.90	20.64	103	1.28	1.62
51	18.26	19.95	104	1.18	1.56
52	17.63	19.26	105	1.02	1.48

The table giving the expectation of life, when used in conjunction with the tables of compound interest (given under INTEREST), enables the present value of an annuity to be ascertained, and other similar calculations to be made.

EXPECTED TO RANK.—In the case of a bankruptcy, proofs are put in by the various creditors, some of which will probably turn out to be debts which are not payable out of the bankrupt's estate owing to various circumstances. Until a thorough examination has been made, it is uncertain how many of these may not be effectual demands, and, therefore, in the early stages an estimate is made of those which are probably effective, and these are the debts which are "expected to rank" for dividend.

EXPLOSIVES.—The manufacture of explosives has become, owing to recent events, one of the most important trades of this country, and by recent combinations a capital of many millions of pounds has been sunk in this species of business.

Explosives may be divided roughly into two categories—industrial and warfare. Industrial explosives may likewise be partly subdivided into three branches, the gunpowder class, the nitro-glycerine class, and the ammonia class. The second and third of these are included in the expression "high explosives." Explosives for war purposes may be considered under the headings of propellants and disruptives. Mining and railway construction on present-day scales are only rendered possible by the use of "high explosives," and the Great European conflict which ended in November, 1918, has shown what an overwhelming part they play in modern warfare.

The chief explosives now manufactured for mining purposes are gignite (the most widely used of all), gelatine dynamite, cotton powder, ammonite, roborite and gunpowder, whilst the principal explosives used in warfare are gun cotton, cordite, ammonal, amatol, lyddite and tri-nitro-toluol. There are many other explosives of lesser importance, some of which, indeed, are essential as adjuncts to those just mentioned. For example, fulminate of mercury (*qv*) manufactured from mercury nitrate with nitric acid mixed with sulphuric acid, is the chief constituent of the detonator which is used to bring to explosion the charge of, say, cordite as a propellant, and of, say, lyddite as a disruptant.

This great explosive business is now carried on mainly for export purposes, the relative importance of the home trade as compared with the oversea trade being as one to five.

EXPORT ADVERTISING.—(See FOREIGN MARKETS, HOW TO GET IN TOUCH WITH)

EXPORT AGENTS.—This term covers a limited class of agents who work from offices in the United Kingdom, and are quite distinct from those manufacturers' agents or representatives who operate entirely overseas. In effect, the export agent provides a shipping department for the manufacturer who does not feel justified in stating such a department for him. The duties undertaken are to provide an office and sample room in a recognised shipping quarter, to canvass the London, Manchester, and other merchant shippers and export commission buyers, to obtain confirmation from the latter, and to take all reasonable means for expanding a manufacturer's colonial and foreign sales. The more substantial export agents go

further than this, and employ travelling representatives who constantly tour certain markets abroad, or, as is more usually the case, make special journeys by arrangement with their principals. Further, an experienced export agency firm can generally be relied upon to possess a register of approved importers and buyers in all parts of the world, the compilation of which is the fruit of many years practical knowledge, brought constantly up-to-date, and therefore a very effective instrument for circular and catalogue distribution. Export agents of the more enterprising type, in fact, frequently print their own weekly or monthly lists, to the cost of which their principals may or may not be asked to subscribe, and these are given a wide circulation by the means described. The agent who arranges a special trip overseas also not unreasonably looks to the firms he represents to make a special expenses contribution in addition to the usual commission. Such a contribution will, of course, vary according to the nature of the trip and the bulk of the samples to be carried, and may be anything between £25 and £300 per firm represented. His principal activities, however, lie in working the export interests of manufacturers at the home end of the business. On the whole, the export agent's position is not so important, nor his selling influence so wide-spread, as might be the case. Certainly he is not the equivalent of the American commission export house, which latter approximates more nearly to the English merchant shipper. His limited position is in part due to the fact that the ground is so largely covered by other means under the traditional British export trade system, in which the commission buying agent plays so large a rôle. Also his opportunities are so commonly in respect of manufacturers who desire only to make a tentative bid for the export trade with a minimum of expense and responsibility. He thus only too often finds himself in the unhappy position of doing the spadework for a firm which will eventually open an export department of its own when his labours have made this worth while. This does not invariably happen, of course, but such conditions do not conduce to the export agency business being placed on the footing which it ought to occupy.

EXPORTATION.—The act of sending commodities out of one country into another.

EXPORT BUYING AGENTS.—The commission buying agent for overseas markets is distinctly a British institution, and a very important factor in British export trade, ranking in many respects on a level with the merchant shipper. His function is to buy in England for one or more wholesale importers abroad, to superintend the shipment of the goods he buys, and to finance the buying end of his client's business. He does all this under an agency arrangement, and is paid solely by commission on the total value of the buying he does, such commission varying mainly between 1½ per cent and 2½ per cent. He has to be an expert buyer of a wide range of goods, and, as he makes himself responsible for all payments to the manufacturers from whom he buys, settling his accounts with them month by month, he has to possess an intimate knowledge of his overseas principals' credit capacity, or he might easily saddle himself with responsibilities beyond their power to cover at the customary half-yearly balancing of accounts and settlement. In most cases, of course, the buying agent is supported by deposits made in London by the firms for

which he buys, and against these deposits he can draw at need; but not infrequently it happens that he is the financial power behind the overseas firm, and is its principal creditor. The character of his buying has to some extent changed in recent years, for, whereas at one time he invariably received "open" indents to execute, with instructions of the most general nature, he nowadays receives a larger number of "specific" indents leaving him practically no discretion beyond that of an indent clerk, and no duties beyond "confirming" orders and arranging for their shipment. The "specific" indent is, of course, the outcome of the labours of the manufacturer's own overseas agent, and of such other influences as the development of advertising in trade journals and other media. A point in favour of the commission buying agent is that he enables the importer to enjoy the widest possible choice of sources of supply among the manufacturers of the United Kingdom, thus distributing export orders among many of the latter who would not otherwise be likely to participate. On the other hand, he has a distinct influence toward giving the export trade a more retail character than it used to possess, as many agents live by serving a score or two of importers of the smallest calibre—people whose business may aggregate to something substantial, but whose individual orders are apt to be of negligible size and value.

EXPORT CATALOGUES.—In the export trade catalogues serve a somewhat different purpose from that intended in the home trade, and require very distinct differences in their preparation. They do not go to surfeited buyers likely to drop them into the waste paper basket, as may happen so often in the United Kingdom, but to merchants in colonial and foreign markets whose chief problem is often to keep in up-to-date touch with sources of supply, and who consequently welcome and preserve for study and frequent reference all classes of advertising matter which is intelligible to them. That is the whole point, to provide a catalogue which shall be intelligible to men of other languages, and monetary systems, who lack much information which is the daily common-place knowledge of the British business man. It is obvious, therefore, that it is well worth while to make an export catalogue fully comprehensive and informative—the overseas buyer cannot afford to wait for weeks to receive replies on minor details through the post—and it is also wise to make it attractive in appearance and durable in form, something which it is a pleasure to handle and which can be filed for permanent use.

The Language Difficulty. The question of language is one which cannot be burked, no matter what expense of translation and printing it may involve. The English language will, of course, serve for catalogues designed for British colonial markets, and even for one or two foreign markets such as Sweden, but it is quite an error to imagine that English is understood all over the world. Indeed, there are some markets, such as Spain, Portugal and the Latin-American Republics, where buyers who may have a perfect knowledge of English are none the less deeply affronted by the apparent slight put upon their own language by the receipt of advertising matter in any other. Consequently, there are only two courses which may be followed. Either one catalogue may be prepared in three principal languages, say English, French and Spanish, and made to serve for the whole world;

or, better still, if the business to be obtained warrants the expense, a separate catalogue for every market may be prepared. In any case, it is important that the work of translation should be done by expert commercial translators, acquainted with technical terms and special idioms such as are to be found in no ordinary dictionary.

Quoting. Equally important is it that the fullest possible information should be given in the shape of wholesale prices and discounts, again because of the difficulty of protracted correspondence on the subject, and also because the immediate possession of cost details may be the determining factor in the buyer's choice between two competitive lines. Such details should be given in the currency of the particular market, as sterling quotations are simply meaningless to foreign buyers, the majority of whom are accustomed to the easy decimal system. C.I.F. prices should be worked out and quoted in every case if possible, this being a convenience greatly appreciated in all markets. In doing this it is necessary to leave a sufficient margin to cover variations in rates of exchange, or it should be clearly stated that all quotations are subject to such variations. All discounts should be quoted, and the difficulty of giving these wholesale terms can be overcome by printing the discounts on a detachable slip which the wholesaler can remove if he desires to show the catalogue to a customer. A list of simple code words for cabling should be included, covering every item in the catalogue and every possible size, variation, quantity and number, and all parts for replacement. Illustrations, which speak in the universal language of the eye, are even more useful than in home trade catalogues. Another point is that up-to-date technical information is never wasted in engineering and similar catalogues. In fact, a catalogue which has some of the characteristics of a text-book comes refreshingly to professional men in far places, who may feel out of touch with the latest developments, and who accordingly treasure any technical information which comes their way.

EXPORT CREDIT TERMS.—(See EXPORT TRADE, ORGANISATION OF.)

EXPORTERS.—The persons who are engaged in sending goods to foreign countries.

EXPORT INVOICE.—An export or shipping invoice refers to goods sold for delivery abroad, and it will necessarily contain information not found on ordinary inland invoices, *e.g.*, marks, numbers, weights, and measurements of the packages, shipping charges, etc.

EXPORTS.—The goods sent out of a country in commerce. The greater part of British exports consists of cotton and woollen goods. Most of the cotton goods are made in South Lancashire, the mills there employing more than half a million operatives. Woollen goods are manufactured in the West Riding of Yorkshire, in the West of England, and in Wales, the number of persons occupied in the industry being nearly half-a-million. Metal goods and machinery come next in the order of value of exports.

Of natural products, the only export of consequence is coal.

Tables of exports, as well as tables of imports, are now carefully prepared by every mercantile nation, and they give an accurate idea of the international trade of a country. It is a debatable point, however, as to how far these tables are an absolute test of the real prosperity of a country, for

after all, the internal trade of such a country as England must always be of enormous volume, probably 70 per cent. at least of the total trade which is done.

EXPORT TRADE.—If a country were entirely self-supporting, producing within its boundaries all the requirements of its population, it could probably subsist without any foreign trade whatever, but as, owing to climatic and other conditions, this is out of the question—although some countries are undoubtedly nearer that independent position than others—an exchange of commodities must take place, for in the long run a nation can pay for products and commodities which it imports, only by means of products and commodities which it exports. In the case of Great Britain, the proportion that our exports bear to our imports is the touchstone of our financial prosperity. We cannot go on for ever importing if we have not the necessary assets in the goods that we produce in order to pay for what we are buying. Therefore, our statesmen and business men scan with anxious interest the monthly trade returns of the Board of Trade.

The export trade, to be reviewed generally, would be largely a matter of statistics—rows and columns of figures which would be soon out of date and which are not at all easy to make readable and interesting. It is not intended, therefore, to deal with these in this article, and readers interested are referred to *The Board of Trade Journal*.

All matters regarding the export of goods are dealt with under separate headings, such as, for example, CONSULAR INVOICES, CUSTOMS FORMALITIES, EXPORT TRADE, ORGANISATION OF; FOREIGN MARKETS, HOW TO GET IN TOUCH WITH; SHIPPING GOODS ABROAD; ETC.

EXPORT TRADE, ORGANISATION OF.—The British export system, with all its complexity and vast scope, its radical differences from the systems employed by the other great commercial nations of the world, finds its roots in the methods initiated by the merchant adventurers and trading companies of Elizabethan times. The former had to launch their cargoes into dark parts of the earth where no organised buying system existed, and where the caprice of the markets decided the success of a venture. The manufacturer had little to say in the matter, and was content to sell his goods to the merchant and to trouble no further as to their destination and fate. The merchant was his customer, and not the foreign buyer. So he stands to-day, still glad to use the intermediary services of the merchant shipper and the commission buying agent instead of dealing direct with overseas markets. Without such a system no manufacturer could hope to do a world-wide trade, for none could find and successfully employ the huge capital that would be required to create a demand in, and finance orders from, all the numerous markets which are heavy buyers of British goods. The comparatively modern rise of international competition on a large scale has compelled certain modifications of the system, but the manufacturer has found a satisfactory method of pushing his own interests in overseas markets without antagonising the merchant shipper or sacrificing the convenient arrangement by which payment is made in England, and financial risk is so limited as to be almost non-existent. Commission buying now also largely supplements the work of the merchant shipper, and thus

is derived more or less directly from the organisation of the old China, East India, Hudson Bay and similar trading companies, whose agents, factors or managers abroad used to indent on the headquarters in London, where the actual buying was done and shipment arranged by staffs of experts. The Americans have evolved an entirely different system under which the export interests of manufacturers are grouped in the hands of commission selling houses, but that system would probably not so satisfactorily meet the much wider and more diverse needs of the British export trade.

The Overseas Importer. Thus we have at one end of the machine the manufacturer, and at the other end the wholesale importer, with the merchant shipper, the commission buying agent, the shipping and forwarding agent, the overseas agent or representative, and the export selling agent all intervening. In spite of these intermediaries, however, the manufacturer should possess sufficient imagination and actual knowledge to be able to visualise his ultimate customer, and to know him as something more than a mere "mark." Roughly, the wholesale importing houses may be classified under three heads. The first are the "coast houses" and their inland equivalents, which have flourished for generations in the colonial and South American markets, and at the Treaty Ports of the Far East. They pioneered the trade in these territories, and at one time it was only through them that up-country storekeepers could obtain supplies. To a large extent, indeed, the storekeepers and native merchants were tied to them by financial obligations, and also depended upon them for the disposal of the large quantities of produce which had to be accepted from farmers and natives in lieu of cash. This business, by the way, brought a double profit both to them and to the storekeepers—a profit on the goods sold, and a profit on the produce received for the goods. These "coast houses"—rather a misnomer to-day, and falling out of use—invariably have their own buying houses in London, usually under the direction of senior partners who are thus enabled to complete their business careers at home after being exiled for more or less lengthy periods of their lives in their colonial establishments. Of later origin, but even greater aggregate importance, is the wholesale merchant who, having started life as a shop assistant or small storekeeper, has struggled to independence during some period of prosperity, doing his buying, and incidentally obtaining a certain amount of financial support, through a commission agent in London. This type of importer has successfully challenged the "coast house" in most markets, and nowadays competes on level terms, so that there is little or nothing to distinguish between the two. The third class is the "native" importer, a term which is both unpleasant and misleading in its failure to discriminate between a merchant prince of Japan, a respected Chinese "compradore," a Parsee of international repute, and the shifty Levantine trader or negro sample-hunter of the West Coast of Africa.

The Merchant Shipper and Commission Buyer. To the manufacturer each and all of these importers are simply "marks"—that is, they are known to him in a purely impersonal way by the distinguishing marks which the shipping firm instruct him to place on the goods intended for them. The indents of the "coast houses," as already stated, reach him through the medium of their own buying houses

in London; those of the other large wholesale importers more generally pass through the hands of commission buying agents; and those of smaller European and most native importers are handled by the merchant shipper. To take the latter first, his functions are not only described at length elsewhere (see MERCHANT SHIPPER), but are fairly apparent in his title. He buys and sells on his own account, taking his profit as a merchant, and he is able advantageously to handle a large amount of miscellaneous business, not only shipping large quantities in bulk, but making up an indent consisting of numerous small items into one consignment which can be profitably shipped. His operations are not necessarily confined to this small and miscellaneous business, but it is in the handling of this that he performs a specially valuable service. His knowledge of his clients and their circumstances and requirements also enables him to give special credit facilities which the manufacturer would be unable to consider. The commission buying agent is in an entirely different position. His work is done solely as the agent of an importer, or number of importers, under definite instructions, and for a fixed rate of commission. He buys in the open market, having no stocks to dispose of, and he accepts all financial responsibility to the manufacturer. Normally the agent of the importer, and often indebted to the latter for the capital on which he starts business, he is also just as often the importer's substantial creditor, and the sole arbiter as to the amount of the latter's buying commitments. His commission is calculated on the amount purchased and shipped in a given period, and may be taken as averaging $1\frac{1}{2}$ per cent. to $2\frac{1}{2}$ per cent. on most staple lines.

Selling Agents. The day has passed when the manufacturer could rest content with the orders handed out to him by the goodwill of his friends among the merchant shippers and commission buyers. He is forced to meet competition by inducing importers to specify his particular goods in their indents, and he does this by the employment of agents (see EXPORT AGENTS AND OVERSEAS REPRESENTATIVES) who perform this duty for him without in any way interfering with the functions and interests of the shipping and buying houses. They originally objected strenuously to the specific indent, but accept it as an established feature of the trade to-day. These selling agents do not actually book orders, but obtain the importer's promise to indent for their principal's goods, and then notify the manufacturer of the particulars and he seeks confirmation of the order from the importer's shipping connections when the indent arrives. Overseas representatives who perform this work are invariably on a commission basis, and represent a group of firms, the type of commercial traveller who is a salaried employee being almost unknown in the export trade.

Quoting, Sampling, etc. Allied to the work of the selling agents is that of quoting, sampling, catalogue distribution, etc. In quoting, whether in catalogues or by letter, the importer's own language and currency should be used; and through rates given, with all shipping and other discounts. Special terms should be used carefully, and with an expert understanding of their exact meaning. For example, *c. f.* is sometimes wrongly assumed to possess the same meaning as "Franco," whereas the one covers costs only to the wharf at the port of disembarkation, while the other means free

delivery to the importer's very door. *F.o.b.*, *f.o.s.*, and *f.o.r.* provide another typical cause of confusion to novices, the first covering charges to the ship's hold, the second only to the wharf alongside the ship, and the third merely to the railway at the nearest point to the factory, yet it is sometimes assumed that all three amount to much the same thing and mean vaguely costs from factory to the ship. Sampling for export is a difficult question as a rule. It is too expensive a process to scatter samples broadcast, but where there is any real hope of orders resulting, it is usually possible to persuade buying houses to accept for distribution to their "marks" a limited number of samples invoiced at cost price. That is the only method by which sampling can be made worth while.

Packing for Export. This is a class of work best left in the hands of the expert packing firms who specialise in it. They pack for shipment and make themselves responsible for the despatch of a consignment to the docks. Moreover, they keep themselves posted in regard to the requirements of railway and shipping companies and of the customs authorities in all markets, though it is usually advisable to check their work before shipment. In fact, it is the duty of the shipper, either merchant or commission buyer, to inspect all consignments before authorising their despatch.

Methods of Shipment. The buying and selling of the goods, and their packing for shipment, having been dealt with, the subsequent procedure is mainly of academic interest to the manufacturer, but of very practical interest to the shipper and his importing connections. The first point in this connection is the choice of vessel to ship by, as this may have an important bearing on the rates of freight paid. For "roughs" and general cargo the ordinary intermediate or cargo vessels should be chosen, and mail boat rates should only be paid on goods which are urgently wanted, perishable, or of sufficient value to make the difference in cost of carriage comparatively immaterial. The shipping company must be advised of the despatch of the goods by means of a "Merchandise Declaration," which is a full description of the packages and their value, with instructions as to insurance. Arrival at the docks should be carefully timed for after the advertised "alongside" date, so as to avoid liability for demurrage. On receipt of the "Merchandise Declaration," the shipping company forward to the shipper a freight note and bill of lading, the former being simply a debit note for the freight charges, and the latter may be summarily described as a detailed certificate of shipment. Bills of lading are made out in triplicate, two being received by the consignor, who sends one with a set of invoices to the importer. These are the "shipping documents" without which the importer cannot obtain possession of the goods on their arrival at his port. Freight becomes payable on the arrival of the ship, and may be demanded before discharging operations commence. The shipper is responsible for its payment, and may arrange to pay it in advance by special agreement. It is usually quoted either weight or measurement ton at the option of the shipowner, the measurement ton being calculated at 40 cubic feet outside dimensions. The principal forms of contract under which shipments are made are "Free on Board," and "Cost, Insurance, Freight," and it is a fact not generally realised that under both the shipper's liability ends with placing the goods on board. From the moment

they are shipped they become the property of the consignee, in whose favour the insurance policy is always made out. The *c.i.f.* contract merely places on the shipper the onus of arranging insurance on behalf of the consignee, and paying or crediting him with the cost of freight.

Consular Invoices. In making shipments it is especially important to fulfil with exactitude the special requirements of the authorities in individual markets, and particularly those concerned with the provision of consular invoices (*q.v.*). Forms for preparing the latter can be obtained from the respective consuls in England, and usually call for a complete list of the goods shipped, with markings, weights, values, etc., while a declaration as to the accuracy of these details, and in some cases a certificate as to the country of origin, has to be signed by the shipper. This, when completed, is certified by the consul, who is authorised to charge a fee for the work. Three or more copies are invariably demanded, and the required number must accompany the shipping documents to the consignee, who may otherwise find himself in serious difficulty, and possibly liable to more or less heavy fines.

Methods of Payment. In a limited number of cases shippers obtain payment from their customers abroad either by direct remittance or by employing agents on the spot to collect amounts due against delivery of goods. More generally convenient, however, and therefore far more widely used, is the system under which bills of exchange are employed. This type of commercial instrument is not only a means for obtaining payment, but also enables the shipper—who has probably settled with his manufacturers on cash or one-month terms—to raise money on the security of the goods shipped, and to re-employ it during the period he necessarily has to wait for completion by his importing clients. A bill of exchange is simply an unconditional order on the person to whom it is addressed to pay on demand, or at a fixed date, a certain sum of money to a specified person, or to bearer. Being an unconditional order, the bill becomes negotiable after acceptance and indorsement. It is also regarded as complete legal proof of indebtedness, and saves the production at much cost and trouble of other evidence in cases of dispute. The usual practice is to draw bills in triplicate, the first to arrive and be presented being the only operative one. The shipper who desires to obtain an advance on goods shipped draws a set of bills on the consignee, and deposits them and the bill of lading, insurance policy, etc., with the bank. Usually, too, he has to provide a letter of hypothecation, which is an authorisation for the bank to deliver the shipping documents when the bill has been honoured, or, if dishonoured, to dispose of the goods for the benefit of the shipper and to take the amount of the bill from the proceeds. That, in brief, is the simple outline of the machinery of payment, though much more could be said concerning the nature and methods of employment of bills of exchange under various conditions.

Export Credit Terms. These vary in regard to every market, and no hard and fast rule can be laid down concerning them. Some countries, or special trades in those countries, demand long credits, others pay immediately. On the whole, it is a question which concerns the merchant shipper far more than the manufacturer, the latter of whom draws payment from the home shipper or buyer except under rare and special circumstances.

The distance of an overseas market from the United Kingdom is naturally an important factor affecting the usage of bills of exchange, but apart from this it may be taken as a general rule that countries whose staple industry is agriculture, and in some cases trades which are dependent upon that industry, provide the long credit markets. The reason is fairly obvious. Farmers have their money locked up from harvest to harvest in non-liquid resources. They receive the bulk of their incomes more or less in the lump once a year, and it is then that they make their payments. Consequently, the local wholesalers and retailers have to wait for these annual periods, and are compelled in the meantime to trade largely on credit, which they demand from shippers. Unless they are granted this credit they cannot send indents, but there is always the compensating fact that they pay for the financial accommodation required, and are generally less exigent in the matter of prices. British bills drawn on the United States are most commonly at 60 to 90 days' sight, and this is a fairly general rule in regard to Australia, South Africa, the Argentine, Brazil, Bolivia, Chili, Mexico, Paraguay, Peru, and Uruguay, though in the two British Dominions mentioned bills are frequently drawn at all periods from sight to 120 days' sight. Canada is notably a "cash against documents" market, while a country like China, with its great exchange variations, is more conveniently dealt with by direct remittance instead of bills. The Central European and Balkan States are nearly all markets which require long credits, but in regard to most of them special facilities can be obtained by shippers under the British Board of Trade's export credits scheme. Since the Great War, too, banks and financial corporations have been established in Great Britain to specialise in providing facilities for export trade, and many of the leading general banks have initiated more liberal policies in this respect, and have created special departments for putting those policies into practice. (See SHIPPING GOODS ABROAD).

EXPRESS DELIVERY.—(See Post.)

EXPRESS, UNITED STATES.—Express companies for the rapid transmission of parcels and luggage and light goods generally perform in the United States the function of the Post Office or the railways in the United Kingdom and the Continent of Europe. The express business in America had its origin in the custom among the people of entrusting packages for delivery to travellers, stage drivers, clerks of vessels, and conductors of trains, and giving them orders to execute. The absence of any systematised method of conducting business of this kind suggested to William F. Harnden, a conductor on the Boston and Worcester railway, to undertake on his own account the carriage of packages by special messenger between the great centres of industry and travel. Being encouraged by others, he contracted, in 1838, with the Boston and Worcester Railroad for the carriage of packages over its line. Harnden, at this time, lived at Boston, and recorded himself as an "express packages carrier." In 1839 he arranged with the Providence Road and the New York Steamboat Company to operate over their lines between New York and Boston four times a week. Harnden himself was the messenger, and carried his packages at first in a small handbag and afterwards in a stout trunk. Obligated to leave the company's service or abandon his enterprise, he started an "express" service between Boston and New

York. In 1840 Harnden extended his business to Philadelphia, he also established agencies in the great centres of Europe for the carriage of transatlantic packages, the soliciting of emigrants, and the purchase and sale of foreign exchange. Harnden's success and enterprise served to incite others to enter the business. The attempt to carry letters was stopped by the Government as interfering with the Post Office.

The general management of the express companies is entrusted to a president and a board of directors, under whom the business is directed by division superintendents and other officers, much as the local affairs of railroad companies are conducted. These officers have immediate charge of the servants of the company, regulate their salaries, adjust claims, fix the tariff rates, and perform other important functions. The property of the companies, including the valuables entrusted to them, is under the immediate care of the agents at the various stations, and they are responsible to the companies for its safe custody. The companies employ experts called route agents, whose duty it is to examine the affairs of the agencies and see that their accounts are kept in accordance with the prescribed form, and that they duly account for all moneys coming into their possession. The expedition with which the business is conducted renders it impossible at the time methodically to compare the articles with the receipts which pass between the different officials of the company. Hence the element of good faith between subordinates assumes an importance that cannot, perhaps, be found in any other business of equal magnitude. It thus becomes necessary that the greatest care should be exercised in introducing new men into the service. The various blanks employed by the express companies in connection with their business conform generally to those used in connection with the goods traffic of railroads, but with some necessary changes and modifications.

Soon after the discovery of gold in San Francisco in 1848, when great numbers went thither to assist in developing the resources of that region, the express readily anticipated their necessities for prompt and reliable commercial intercourse with the East by opening agencies in San Francisco, and at the various mining camps on the Pacific Coast, for the transmission of packages, money, and gold-dust, and for the transaction of a banking business.

The express business is the least bulky and relatively the most profitable that is handled by common carriers. It is made up of innumerable items that, while singly of little importance, are yet in the aggregate of great value, and of a character that can pay a better price than ordinary freight. The business embraces the carriage and insurance of property and valuables (save baggage, for which no special charge is made by the carrier) transported on passenger trains. It also embraces the collection of accounts and the execution of papers, and the carriage of valuable documents and letters. While the express business is still relatively very profitable, it is not now as productive as it was at one time. The introduction of the money-order department in connection with the postal service, whereby the people are able to remit small amounts of money through the mails for a merely nominal fee, with other concessions made by the Government, has greatly reduced the demand upon the companies for services of this kind, and necessitated also an immediate and marked reduction in the

rates asked for doing such business. The express business has also been greatly undermined by the use of refrigerator cars and the introduction of fast freight trains and other improvements and appliances in the freight department of railroads. The parcels that make up the traffic of the express companies embrace the articles requiring transportation that are too valuable to be entrusted to the comparatively rude appliances of the goods department of carriers. It includes a class of property that requires the constant guardianship of a trustworthy messenger. Much of the business that is done by this department of the service requires quickness of delivery. The most profitable branch of the express business is comprised in the collection of notes, drafts, and accounts; in the attention given to the execution of deeds, conveyances, and contracts, in the transportation of gold and silver coin, bank-notes, deeds, contracts, bullion, precious stones, jewellery, gold and silver ware, plated articles, costly pictures, statuary and other articles of value, also musical instruments, laces, furs, silks, china birds, valuable animals, delicate fruits, fresh vegetables, and fish. The distribution of newspapers, magazines, and books is conducted largely through the medium of the express business, and yields a handsome income. All the great dailies, and many of the weekly papers, and their way to interior cities, towns, villages, and hamlets in this way.

It has to a great extent created the business of transporting varieties of game, poultry, fish, oysters, fruit, and vegetables to localities where they are not usually obtainable.

In the large cities the carrier provides the facilities, including men and teams, required to traverse the streets from door to door for the purpose of collecting and delivering the goods consigned to his care. Convenient offices that are accessible to the business community are also needed in handling the traffic, and capacious and costly vaults must be at hand in which to store the more valuable articles. The conduct of the express business by companies organised for the purpose is a tacit acknowledgment on the part of other carriers that the former are able to do the business with exceptional economy and efficiency. The measure of success that characterises the conduct of the express business by separate organisations is, however, directly dependent upon the goodwill and co-operation of the companies owning the lines over which they operate; and while the latter cannot, perhaps, exclude the express lines, still there is nothing to prevent them carrying on the business independently if they see fit, and the fact that this is so places the express companies at their mercy. The basis upon which the express companies do business with the railroad companies varies upon different roads according to the extent and character of the business done. Upon the bulk of the lines there is a minimum rate per day for a stipulated amount of traffic, and when the amount of business it provides for is exceeded, an additional charge is made by the railroad companies. The principal express companies in the United States touch at all the great commercial centres, and are thus able individually to do most of the business that is offered them without the intervention or co-operation of other organisations. This fact adds greatly to the security and convenience they offer the public, as in the event of loss or damage settlements can be made without reference to other companies.

Were the express companies dissolved, the

railway lines could not supply the needs of the public. There is an interval between the act of transportation and the demands of the public which railway companies do not fill, and were not organised to fill, and which renders the express so essential to the general welfare of the community. The express, in its turn, is among the most efficient supporters of the railway systems. At a low estimate, the routes of the express now cover 200,000 miles of railroad, steamboat, and stage lines, the number of packages of merchandise annually carried is over 100,000,000; the number of money packages transported is 20,000,000. It employs 50,000 men at 40,000 agencies.

EX SHIP.—The meaning of this term is that goods are sold free out of the ship, the purchaser providing the means of removal, and the responsibility of the vendor ending as soon as the goods leave the ship's side.

EXTRACT OF MEAT.—The nutritious elements of animal food condensed into a small bulk. The extract is prepared by chopping the meat and heating it in water until one-eighth of it is dissolved. The liquid is then condensed, and the extract preserved in hermetically sealed vessels. A large trade is carried on in this article in England, Germany, and South America.

EXTRADITION.—No country, in the ordinary course of things, ever took the trouble to inquire into the circumstances connected with a criminal offence committed in another country. But by international comity this state of affairs has been completely changed, and the practice of extradition has grown up, which may be described as the handing over of a prisoner accused of crime by the government of the country in which the alleged criminal has taken refuge to the government of the country within whose jurisdiction the crime has been committed, in order that he may be dealt with according to the laws of that country. Crime is essentially local, and every person who resides within a particular territory, whether he is a native or an alien, is subject to the criminal law of the State. But, as stated above, no country will undertake the prosecution and punishment of a criminal for any offence not committed within its own territory.

Extradition is entirely regulated by treaty, and there are now treaties existing between the majority of civilised States by which the contracting nations agree to give up fugitives from justice found within their territories, if they are charged with certain specified offences, and provided that the proper proceedings are taken. In the absence of any treaty, there is no obligation imposed by international law (*qv*) that a State shall surrender a fugitive criminal, but this is frequently done as a matter of courtesy and comity by friendly nations without treaty. The English procedure is regulated by three Acts of Parliament, passed in 1870, 1873, and 1895 respectively, and the King is empowered by Order in Council (*qv*) to make these rules applicable to any foreign State with which an arrangement is made. The arrangement, not of treaty, however, unlike other treaties, must be submitted for the approval of Parliament.

The practice of different countries varies, and it is only possible to state here what is the customary form of procedure when a person who is charged with a crime alleged to have been committed in another country is found within the United Kingdom. A diplomatic representative of the foreign

country applies to the Home Secretary for his surrender. The Home Secretary then inquires whether the crime is of a political character, *i.e.*, one which is incidental to and forms a part of a political disturbance. If it is, no order will be made; but if it is an offence covered by the extradition treaty in existence, the Home Secretary sends an order to a magistrate or a justice of the peace to issue a warrant of arrest. The prisoner is then brought before the magistrate or the justices, and a *prima facie* case being made out against him, an order is made for his extradition. Fifteen days are allowed within which the prisoner may appeal, but at the end of that time, if he does not appeal, or if his appeal fails, he is handed over to a duly authorised person of the foreign State applying for his extradition by an order under the hand and seal of the Home Secretary. The person surrendered can only be tried for the offence for which he has been extradited. Moreover, no order for extradition will be made if the prisoner is charged with a criminal offence committed within the jurisdiction of the English courts, until he has been tried here and acquitted, or has served his sentence.

At one time it was necessary that the preliminary inquiry should take place at the Bow Street police-court; but now, by the Act of 1895, the proceedings may take place at the police-court of the district in which the arrest is made.

Owing to the military condition of the various countries of Europe between 1914 and 1918, various arrangements were made under which the natives of countries residing in states other than their own were made removable. Like other war legislation, or ordinances, the right of acting upon these arrangements was limited to the duration of the war. (See DEPORTATION.)

EXTRAORDINARY MEETING.—(See MEETINGS.)

EXTRAORDINARY RESOLUTION.—In a

general way, when a joint stock company meeting is held, resolutions are submitted to the meeting, and a vote is taken upon them by a show of hands. These are the resolutions which deal with the ordinary business of the company, and they are known as "ordinary" resolutions. They are carried by a mere majority. What may be included in ordinary resolutions is generally provided for by the articles. All other business is carried on by means of "extraordinary" resolutions or by "special" resolutions (*q.v.*). The extraordinary resolutions are those relating to matters outside the ordinary business of the company, and special resolutions are those which are either declared to be such by the articles, or are required by the Companies Acts. Whenever either an extraordinary or a special resolution is to be submitted, notice of the same must be given to the shareholders when they are informed that an extraordinary meeting is to be held, and the full terms of it must be set out.

An extraordinary resolution is one which deals with some subject outside the general business of the company. And it is to preserve the rights of the minority that a more or less fundamental change shall not be made by a simple majority in voting power. When such a resolution is put forward, therefore, it is necessary that, in order to carry it, it should be passed by a majority of not less than three-fourths of the members entitled to vote who are present in person or by proxy, where proxies (*q.v.*) are allowed, "at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given." This effectually prevents a snatch vote being taken.

EX WAREHOUSE.—When goods are sold under this condition, the purchaser is bound to provide the means of conveyance from the warehouse door.

F.—This letter occurs in the following abbreviations—

F.	Franc
F.A.A.	Free of all average.
F.A.S.	Free alongside ship.
F.G.A.	Foreign general average.
F.O.B.	Free on board.
F.O.R.	Free on rail
F.P.	Free policy.
F.p.	Fully paid
F.P.A.	Free of particular average
Fi Fa.	Fieri facias (<i>q.v.</i>)
Fo, Fol, Foho.	

FACE VALUE.—The nominal value of stocks or shares which appears written or printed upon the face of the certificate for the same. The face value is frequently quite different from the market or selling value of the security, which may be either higher or lower than the face value, *i.e.*, at a premium or at a discount.

FACTOR.—A factor is a mercantile agent, who, in the ordinary course of his business, is entrusted with possession of goods or of the documents of title thereto. A mercantile agent is an agent (see AGENCY) who, in the ordinary course of his business as an agent, has authority from his principal to sell goods, or to consign goods for the purposes of sale, or to buy goods, or to raise money on the security of goods. The difference between a factor and a broker (both being mercantile agents) is that the factor has the possession of the goods he is to sell for his principal, while the broker has not, and in some other respects the authority of a factor is somewhat wider than that of a broker. A factor carries on business as such in his own name, and not necessarily in that of the principal. Sometimes an agent, with the general authority of a factor, is employed to take a cargo of goods abroad and dispose of it to the best advantage; in such a case he is called a supercargo. The authority of a factor, like that of all agents, may, of course, be expressly limited by the contract under which he is employed, but unless such limitation is communicated to or otherwise comes to the knowledge of parties dealing with the factor as such, they are entitled to assume that the factor has all the rights and powers usually given to such an agent by the usage of the particular trade, and, further, that the rights and powers expressly conferred upon mercantile agents by the Factors Act, 1889 (*q.v.*), can be exercised by the particular factor. A factor is generally paid by a commission, or, as it is sometimes termed, factorage, on the amount of business transacted by him on behalf of his principal, the rate being fixed by agreement or by the usage of the trade or business. He has a lien (*q.v.*) upon the goods in his possession, as security for payment of his remuneration and charges. (See FACTORS ACT.)

FACTORAGE.—(See FACTOR.)

FACTORIES AND WORKSHOPS.—This article will define factories and workshops as described in the Factory and Workshop Act, 1901 (*q.v.*). A textile factory is a place within which steam, water, or other mechanical power is used to work machinery for manufacturing or finishing cotton,

wool, hair, silk, flax, hemp, jute, tow, china grass, coconut fibre, or other like material. A non-textile factory is any one of the following works: Warehouses, furnaces, mills, or foundries; earthenware works, lucifer match works, percussion cap works, cartridge works, paper staining works, fustian cutting works, blast furnaces, copper mills, iron mills, foundries, metal and indiarubber works, paper mills, glass works, tobacco factories, letterpress printing works, bookbinding works, flax scutch mills, electrical stations, print works, bleaching and dyeing works, hat works, rope works, bakehouses, lace warehouses, shipbuilding yards, quarries, pit banks, dry cleaning and carpet beating and bottle-washing works.

All the above-named are non-textile factories within the meaning of the Act, if steam, water, or other mechanical power is used in aid of the manufacturing process there carried on. The following are also non-textile factories: Any place wherein manual labour is exercised by way of trade for gain: (1) For the making of any article, or part of an article; (2) altering, repairing, ornamenting, or finishing an article; (3) adapting any article for sale. It is essential that steam, water, or other mechanical power shall be used in aid of the manufacture.

The word "factory" simply means either a textile factory or a non-textile factory. A tenement factory is a place where mechanical power is supplied to different parts of the same building, occupied by different persons or firms for the purpose of any manufacturing process or handicraft. Each part of the building is, in law, a separate factory.

A workshop is any place or premises named in Part II of the sixth schedule of the Act, which is not a factory. For the reader's information, these words must be repeated so that the reader may interpret the Act for himself—

"The manufacture of hats, rope, bread, lace warehouses, shipbuilding yards, quarries, pit banks, dry cleaning, carpet beating, and bottle-washing. A workshop is also any premises, room, or place not being a factory, wherein manual labour is exercised for gain, for (1) the making an article, or the part of an article; (2) altering, repairing, ornamenting, or finishing an article; (3) adapting an article for sale. The employer of the persons working in the workshop must have the right of access or control of the premises, to constitute the same a workshop. The term workshop includes a tenement workshop.

"A tenement workshop is any work-place in which, with the permission of, or under agreement with, the owner or occupier, two or more persons carry on their work thereon. It may be illustrated as follows: A has a house in Bread Street; the house contains separate rooms, which A lets to B, C, D, E, etc., as separate workrooms. B, C, D, and E are all independent workmen employing others under them. A part of a factory or workshop may be treated as a separate factory or workshop, but only with the approval in writing of the chief inspector. A place may be a factory or a workshop, even though all the work is being carried on in the open air. If any child

or young person performs any manual labour, as part of the school course of instruction in any handicraft, this will not be considered as manual labour for the purpose of gain, as defined by the Act."

FACTORS ACT.—The Factors Act, 1889, codified the law relating to mercantile agents, of whom factors (*q.v.*) form an important branch, and gave statutory sanction to various provisions for the protection of persons dealing with such agents which had formerly existed mainly by trade usage. The result is to exclude in those dealings the operation of the old common law rule that no one could give to another person a better title to goods than that which he himself possessed, and to enable a buyer who deals *bona fide* with a mercantile agent to acquire a good title to the goods he so acquires, even though for some reason or other the agent had not a right to make the disposition he has of the goods. Before giving the operative provisions of the Act, it is necessary to define the meaning of certain expressions used therein. For the purposes of the Act, the expression "mercantile agent" means a mercantile agent (*e.g.*, a factor or broker) having in the customary course of his business as such agent authority either to sell goods, or to consign goods for the purpose of sale, or to buy goods, or to raise money on the security of goods; "goods" include wares and merchandise; "document of title" includes any bill of lading, dock warrant, warehouse-keeper's certificate, and warrant or order for the delivery of goods, and any other document used in the ordinary course of business as proof of the possession or control of goods, or authorising, or purporting to authorise, either by indorsement or by delivery, the possessor of the document to transfer or receive goods thereby represented; "pledge" includes any contract pledging, or giving a lien or security on, goods, whether in consideration of an original advance, or of any further or continuing advance, or of any pecuniary liability; and "person" includes any body of persons corporate or unincorporate. In the course of the following observations reference will be made to agents "in possession" of goods, etc., so it may be well to say that a person is deemed to be in possession of goods, or of the documents of title to goods, where the goods or documents are in his actual custody, or are held by any other person subject to his control or for him or on his behalf.

The Factors Act deals first with dispositions by mercantile agents, and provides that where a mercantile agent is, with the consent of the owner, in possession of goods or of the documents of title to goods, any sale, pledge, or other disposition of the goods, made by him when acting in the ordinary course of business of a mercantile agent, will, subject to the provisions of the Act, be as valid as if he were expressly authorised by the owner of the goods to make the same, provided that the person taking under the disposition acts in good faith, and has not, at the time of the disposition, notice that the person making it has not authority to do so. The withdrawal by the owner of his consent to the agent's possession will not affect a disposition by the agent, unless the third person has notice that the consent has been withdrawn; and where an agent has obtained possession of any documents of title to goods by reason of his being or having been, with the consent of the owner, in possession of the goods represented thereby, or of any other documents of title to the goods, his possession of

the first-mentioned documents will be deemed to be with the consent of the owner. As in all cases such consent will be presumed in the absence of evidence to the contrary, the burden of proof (*q.v.*) lies upon the true owner to establish that the possession of goods or documents was not with his consent.

A pledge of goods by a mercantile agent differs from a sale, in that if the agent pledges to secure a debt due from him before the time of the pledge, the pledgee acquires no further rights to the goods than could have been enforced by the agent at the time of the pledge, and if goods are pledged by an agent in consideration of the delivery or transfer of other goods, or of a document of title to goods, or of a negotiable security, the pledgee acquires no right or interest in the pledged goods in excess of the value of the particular consideration.

The consideration necessary to support a sale, pledge, or other disposition of goods under the Factors Act, may be either a payment in cash, or the delivery or transfer of other goods, or of a document of title to goods, or of a negotiable security, or any other valuable consideration (See **CONSIDERATION**). It must be remembered that these special provisions of the Factors Act only apply to dispositions made by an agent who comes within the definition of a mercantile agent (*ante*), or made through a clerk or other person authorised by such an agent in the ordinary course of business to make contracts of sale or pledge on his behalf; and by "ordinary course of business," as the expression is used here and earlier in this article, is meant the ordinary course of the business as such mercantile agent, not the ordinary course of any other business that may also be carried on by the person who is appointed an agent. It has been expressly held that the authority given to a mercantile agent, who is in the possession of goods with the consent of the owner, to pledge the goods when acting in the ordinary course of business of a mercantile agent, is a general authority given to every mercantile agent, and is not restricted by the existence in a particular trade of a custom that a mercantile agent employed in that trade to sell goods has no authority to pledge them (*Oppenheimer v. Attenborough*, 1908, 1 K B. 221).

If the owner of goods gives possession of the goods to another person, who may not, perhaps, be a mercantile agent within the definition given above, for the purpose of consignment or sale, or has shipped the goods in the name of another person, and the consignee of the goods has not had notice that such person is not the owner of the goods, the consignee will, in respect of advances made to or for the use of such person, have the same lien (*q.v.*) on the goods as if such person were the owner of the goods, and may transfer any such lien to another person.

Turning now to dispositions made by sellers and buyers of goods, the Act provides that (1) where a person, having sold goods, continues, or is, in possession of the goods or of the documents of title to the goods, the delivery or transfer by that person, or by a mercantile agent acting for him, of the goods or documents of title under any sale, pledge, or other disposition thereof, or under any agreement for sale, pledge, or other disposition thereof, to any person receiving the same in good faith and without notice of the previous sale, shall have the same effect as if the person making the delivery or transfer were expressly authorised by the owner

of the goods to make the same; (2) where a person having bought or agreed to buy goods, obtains with the consent of the seller possession of the goods or the documents of title to the goods, the delivery or transfer, by that person or by a mercantile agent acting for him, of the goods or documents of title, under any sale, pledge, or other disposition thereof, or under any agreement for sale, pledge, or other disposition thereof, to any person receiving the same in good faith and without notice of any lien or other right of the original seller in respect of the goods, shall have the same effect as if the person making the delivery or transfer were a mercantile agent in possession of the goods or documents of title with the consent of the owner; (3) where a document of title to goods has been lawfully transferred to a person as a buyer or owner of the goods, and that person transfers the document to a person who takes the document in good faith and for valuable consideration, the last-mentioned transfer shall have the same effect for defeating any vendor's lien or right of stoppage *in transitu* as the transfer of a bill of lading has for defeating the right of stoppage *in transitu* (*q.v.*).

The transfer of a document may be by indorsement, or, where the document is, by custom or by its express terms, transferable by delivery, or makes the goods deliverable to the bearer, then by delivery.

Nothing in the Factors Act is to authorise an agent to exceed or depart from his authority as between himself and his principal, or exempt him from any liability, civil or criminal, for so doing; or to prevent the owner of goods from recovering the goods from an agent or his trustee in bankruptcy at any time before the sale or pledge thereof, or to prevent the owner of goods pledged by an agent from having the right to redeem the goods at any time before the sale thereof, on satisfying the claim for which the goods were pledged, and paying to the agent, if by him required, any money in respect of which the agent would by law be entitled to retain the goods or the documents of title thereto, or any of them, by way of lien as against the owner, or from recovering from any person with whom the goods have been pledged any balance of money remaining in his hands as the produce of the sale of the goods after deducting the amount of his lien; or to prevent the owner of goods sold by an agent from recovering from the buyer the price agreed to be paid for the same, or any part of that price, subject to any right of set-off on the part of the buyer against the agent.

With regard to this right of set-off, the leading case of *George v. Clagett*, 1797, 7 Term Rep. 359, decided that if goods are bought of a factor by a person who does not know that the ostensible seller is only a factor, and if the principal sues the buyer for the price, the latter may set-off (*q.v.*) against the principal's claim any claim he might have set-off against the factor had the action been brought by him. But if when the bargain was made the buyer knew that the ostensible seller was only a factor, or had means of acquiring such knowledge, of which he ought to have availed himself, then he cannot set-off a claim against the factor in an action by the principal. Further, if the buyer knew that he was buying from a factor, but honestly believed that the factor was entitled to sell, and was selling to repay himself advances made by him for his principal, the buyer's right to set-off will not be lost.

FACTORY AND WORKSHOP ACT, 1901.—

Factories and workshops must be conducted in accordance with the terms of the above Act (together with the Factory and Workshop Act, 1907, which is a short extending statute), or in accordance with Orders issued by a Secretary of State, who has power by statute to issue such Orders. A further short amending Act was passed in 1916.

Health. Every factory must be kept clean; there must be no bad smell arising from a defective drain, or a dirty water-closet or urinal. There must be no overcrowding so as to endanger the health of the persons engaged. The ventilation must be as perfect as possible. All walls and ceilings must be limewashed at least every fourteen months, and painted and varnished work must be washed with hot water and soap at the same periods. Special exceptions to this rule may be made by Special Order. If the premises are not kept as clean as the Act requires, they will be treated as a nuisance, and the owner will be fined accordingly. Where persons are working overtime in a room, 400 cub. ft. of air space must be allowed to each person; on all other occasions the allowance must be 250 cub. ft. A notice must be exhibited in each room, stating the number of persons allowed in each room. Exceptions to the rule may be made by Special Order. Inspectors of factories are appointed, with large powers, for enforcing the Act. A proper temperature must be maintained in each room, and, in cases where ordered, thermometers must be fixed in suitable places. Power is given to the Secretary of State to establish a standard of sufficient ventilation. In those factories where the floors are constantly wet, means must be taken to provide effective drainage. There must be sufficient and suitable accommodation in the way of sanitary conveniences, and where both sexes are employed in the same building, the accommodation must be separate.

Safety. The following machinery must be securely fenced: Hoists, teagles, fly-wheels, water-wheels, race-wheels, and all dangerous parts of the machinery. The fencing must be in an efficient state always. Steam boilers must have proper steam valves, steam gauges, and water gauges. The boilers must be thoroughly examined by a competent person every fourteen months. The report of the examination must be attached to the general register of the factory or workshop. The regulations as to self-acting machines are: No portion must run out over a space over which a person is liable to pass; no person must be allowed to be in the space between the fixed and the traversing parts of the machine, unless the machine is stopped. No woman, young person, or child must be allowed to work between the fixed and traversing parts whilst the machine is in motion. No child is allowed to clean any moving machinery driven by mechanical power. No young person must clean any dangerous moving machinery. No woman or young person must clean moving mill gearing.

Every factory and workshop employing more than forty persons must be provided with reasonable means of escape from fire. The district council must grant a certificate upon being satisfied that the Act is being obeyed. The district council is empowered to compel the owner or occupier to provide suitable means of escape from fire in all cases. The local authority may also make by-laws specially applying to fire precautions in factories and workshops. (This rule applies to town councils as well.)

All doors must open easily from the inside, and doors of rooms in which more than ten persons are employed must open outwards.

A court of summary jurisdiction may order the following things not to be used until the inspector reports them fit: The ways, works, machinery, plant, or steam boiler used in a factory or workshop. If the court is satisfied that a factory or workshop is dangerous to health, life, or limb, they may prohibit the use of the place until it has been made safe and fit.

Accidents. In the case of accident happening in a factory or workshop, written notice must be sent to the inspector of the district. The accident must have caused loss of life, or have caused the injured person to be unable to continue his work for five hours on any one of the three working days next after the accident. (Where an accident occurs by explosion or by fire, the occupier of the factory must send a notice of it to the Secretary of State. See Explosives Act, 1875.) If the accident causes loss of life, or is produced through machinery, hot liquid, or molten metal, notice must be sent to the certifying surgeon of the district, who must proceed to the scene of the accident and make a report.

Where death by accident has occurred in the factory or workshop, the coroner must advise the district inspector where and when the inquest will be held. The relatives may attend the inquest, together with any person appointed in writing by a majority of the workpeople. A formal investigation into the causes of the accident may be made by the Secretary of State, if he thinks it expedient.

Hours and Holidays. The hours for women and young persons employed in textile factories are: From 6 to 6 or from 7 to 7. On Saturdays their work must end at noon, or half an hour later, or at 11.30 a.m., in accordance with the kind of employment they follow, and the time allowed for meals. Two hours must be allowed for meals each day, except Saturday, when half an hour is allowed. A woman or young person must not work continuously for more than four and a half hours without having half an hour for a meal. A woman is a person aged eighteen and upwards; a young person of either sex is one over fourteen and under eighteen.

Children. Children may only be employed in a textile factory as under: Either in the morning or in the afternoon, or on alternate days. A child is a person under the age of fourteen. The hours for work for children are: 6 or 7 in the morning, until 1 p.m., or until dinner-time, or until noon. Afternoon sets, beginning at 1 p.m., or when dinner terminates, or at noon, and ending at 6 or 7. In non-textile factories and workshops the hours are: For women and young persons, from 6, 7, or 8 a.m. to 6, 7, or 8 p.m. On Saturdays from 6 or 7 or 8 a.m. to 2, 3, or 4 p.m. Meal times, $1\frac{1}{2}$ hours per day and half-hour on Saturdays. There must be at least half an hour for a meal, after five hours of continuous work. The hours for children are: 6, 7, or 8 a.m. to 1 p.m., or at the beginning of dinner-time or at noon. In the afternoons: at 1 p.m., or at the end of dinner-time, or at noon. On Saturdays the child must leave work at 2; on other days at 6, 7, or 8 p.m. Provision is made so that children shall not work two weeks successively in the mornings or in the afternoons. The hours of employment of women, young persons, and children in print works, and bleaching and dyeing works, are the same as in a textile factory.

Women. In workshops where there are no children and young persons employed, the hours of women are: Twelve hours between 6 a.m. and 10 p.m.; on Saturdays eight hours between 6 a.m. and 4 p.m. One and a half hours are allowed for meals, and half-hour on Saturdays. Where a woman or young person has been employed eight hours a day in any week, such a person may be employed on Saturdays between 6 a.m. and 4 p.m., with an interval of two hours for meals. Women, children, and young persons must not be employed in the business of the factory or workshop, both inside and outside, except during the hours of the employment.

Notices. The occupier of every factory or workshop must put up a notice therein, stating the period of employment, the meal times, and the regulations for the employment of children. All women, young persons, and children must have their meals at the same hour, and are forbidden to work at meal times. There must be no Sunday employment, excepting as regards Jews.

Holidays. In England whole holidays are: Christmas Day, Good Friday, every Bank holiday, or other days in place of them. In Scotland: Two days set apart for the Sacramental Fast, or two days to be fixed by the town council, eight half-holidays fixed by the occupiers. In Ireland: Christmas Day, March 17th, Good Friday, Easter Monday, Easter Tuesday, and six half-holidays fixed by the occupier.

In non-textile factories, the Secretary of State may make the following special exception: Women, young persons, and children may be employed between 9 a.m. and 9 p.m., but children may only be employed in morning or afternoon sets.

Male Persons. In lace factories moved by mechanical power, a male person above the age of sixteen may be employed between 4 a.m. and 10 p.m., with legal intervals for meals and rest. In bakehouses: Between 5 a.m. and 9 p.m., with legal intervals. Women, young persons, and children may work for five hours continuously in the following processes: The making of elastic web, ribbon, and trimming. The employment must begin at 7, with one hour for breakfast, and then work until 1 p.m. The time for this arrangement is from November 1st to March 31st. The Secretary of State has power to extend this exception to other industries.

The rule as to having meals at the same hour does not apply to blast furnaces, iron mills, paper mills, glass works, or letterpress printing works. In print works, or bleaching and dyeing works, a male young person may have his meals at different hours, the effect of which is, that whilst one set of workers is at meals, another set may be still at work. Where the kind of work requires it, the Secretary of State may permit women, young persons, and children to have their meals at different hours, and to be employed whilst meals are going on.

Jam and Fish Industries. Special arrangements as to hours of work, meal times, and holidays are fixed for young persons and women engaged in preserving and curing fish, and in cleaning and preparing fruit, from June to September inclusive. Where women and young persons are employed in creameries, the Secretary of State may vary their hours of labour and meals, and they may work for not more than three hours on Sundays and holidays. In the same way the Secretary of State may fix some other day than Saturday for the short day in non-textile

factories or workshops as regards the employment of women, young persons, and children, and as regards young persons engaged in newspaper printing offices. Women and young persons engaged in Turkey-red dyeing may work until half-past 4 on Saturdays, but their total legal hours per week must not be exceeded.

The Secretary of State may permit the occupier of a non-textile factory or workshop to allow the annual holidays or half-holidays on different days to any of the women, young persons, or children employed by him. Permission may also be granted to carry on employment inside and outside on the same day.

Jews. If the occupier of a factory or workshop is of the Jewish religion, he may employ women and young persons on Saturdays from after sunset until 9 p.m.; he may also employ women and young persons for one hour extra on every other day, except Sunday, if he keeps his premises closed altogether on Saturdays. A woman or young person of the Jewish religion may also be employed on Sundays, provided the factory or workshop is closed on Saturdays and not open for traffic on Sundays.

Overtime. In non-textile factories and workshops, when press of work requires it, women may be employed within the following hours: From 6, 7, and 8 a.m. to 8, 9, and 10 p.m., with proper rests, and with restrictions as to the number of days in any year. Where the manufactory is for preserving fruit, curing fish, or making condensed milk, the hours are between 6 and 7 a.m. and 8 and 9 p.m. Where a process is in an incomplete state, another thirty minutes will be allowed to women, young persons, and children; this exception applies to bleaching and dyeing works, print works, iron mills, foundries, and paper mills. Special overtime is permitted where a factory is driven by water, and in Turkey-red dyeing.

Night Work. A male young person of fourteen and upwards may be employed during the night for not more than twelve consecutive hours, with rests for meals. Young male persons of sixteen and upwards may be employed during the night so long as their health is not injured. In glass works a male young person of fourteen may work at night, but the total number of hours per week must not exceed sixty. In newspaper printing works a male young person, above the age of sixteen, may work for not more than two nights a week.

Fitness for Employment. A woman or girl who has given birth to a child must not work in a factory or workshop until four weeks from the birth have elapsed. Children under twelve must not be employed. Children and young persons must obtain a certificate from the surgeon appointed, to say that they are fit for the employment. Generally speaking, the medical examination must take place at the factory itself. In certain cases, where the health of the worker demands it, children and young persons will only be allowed to work during the periods mentioned on the certificate.

Education of Children. Children employed in factories and workshops must also attend school as under: One attendance each work-day, when he or she works in a half-day set, and two school attendances when he or she works on alternate days. The child shall not be obliged to attend school on Saturdays, or on the factory half-holidays. A child must put in the legal number of school attendances. If a child of thirteen obtains an educational

certificate of proficiency, he may go to work as if he were a "young person."

Dangerous and Unhealthy Industries. A medical officer, called in to see a patient, must send a notice to the chief inspector of factories, if he considers that the patient is suffering from lead, phosphorus, arsenical, or mercurial poisoning, or anthrax, contracted in any workshop. A revolving fan must be provided in those places where grinding, glazing, or polishing on a wheel are carried on. Meals must not be taken where dangerous fumes or harmful dust are in the air. In wet spinning factories, women, young persons, and children must be protected from being wetted. Young persons and children must not be employed in the silvering of mirrors, or the making of white lead. A female young person, or a child, must not be employed in the melting or annealing of glass. A girl under sixteen must not be employed in the making of plain bricks and tiles, and in making salt. A child must not be employed in dry grinding, and dipping of lucifer matches.

A woman, young person, or child must not take a meal in the following parts of factories or workshops: The mixing rooms of glass works; flint glass grinding, cutting, or polishing rooms; all parts of lucifer match works, except the wood-cutting part. The Secretary of State has full power to make regulations for the safety of persons engaged in dangerous trades. In every room of place where the weaving of cotton cloth is carried on, the moisture in the atmosphere must be regulated in accordance with a scale fixed by the Act. Proper wet and dry thermometers must be kept in every cotton factory. In every cotton, cloth, or similar textile factory the water for moistening the atmosphere must be taken from a pure source.

Bakehouses and Laundries. The law as to bakehouses will be found under **BAKEHOUSES**. In laundries the following rules of law apply: Hours of work—Women, fourteen hours; young persons, twelve hours; children, ten hours, in any one day of twenty-four hours. The total hours per week must be sixty for women and young persons, and thirty for children. Women are allowed to work overtime. The rules as to meals, holidays, health, safety, accidents, and education are the same as described above.

Docks. Docks, wharves, quays, and dock warehouses are treated as factories, so that the regulations as to dangerous machines, accidents, dangerous trades, inspection, and fines in case of death or injury may apply.

Buildings and Railways. Wherever machinery driven by mechanical power is used in the erection of a new building, or the repair of an old one, such building is held to be a "factory," and all the regulations, as in the case of docks, apply. Where any line or siding, not being part of a railway, is used as a factory or workshop, the provisions of this Act are applied to it.

Homework. In certain trades, to be specified by the Secretary of State, lists of outworkers must be kept by the occupier of every factory or workshop, and by every contractor employed by him. These lists must be examined by the inspector, and a copy must be sent in February and in August to the district council or other local authority in which the premises are situated. If the premises in which the work is being carried on are unwholesome, the district council have power to prosecute the guilty party.

Smallpox, etc. No occupier must allow work to be

given out consisting of wearing apparel, to be made or repaired, in any place where any inmate is suffering from scarlet fever or smallpox, or from any infectious disease.

Domestic Factories and Workshops. Young persons may begin work at 6 a.m. and finish at 9 p.m., and at 4 p.m. on Saturdays. Four hours and a half must be allowed off, and two and a half on Saturdays, for meals and rest. A child shall begin work at 6 a.m. and end at 1 p.m., or begin at 1 p.m. and end at 8 p.m., and at 4 p.m. on Saturdays. The regulations as to the education of children ("half-timers") must be obeyed, and no child must be employed continuously for more than five hours without a break for a meal. Medical certificates as to fitness for employment will be required where necessary. The following provisions do not apply to domestic factories and workshops: Simultaneous meal times; the putting up of notices, holidays, accidents, ventilation, drainage, and thermometers. The reason is that domestic factories are viewed as private houses, and the ordinary law which governs householders applies to them where this Act does not.

If, however, any dangerous process is carried on, the rules of the Act will apply to domestic factories. Unless the Secretary of State orders otherwise, the following work done in a private house does not constitute such house a domestic factory or workshop: Straw plaiting, pillow lace making, and glove making. Where work of any sort for gain goes on at irregular intervals in a private house, such work will not, of itself, constitute the place a workshop, especially if the money earned is not the principal support of the family.

Definitions of Domestic Factory and Domestic Workshop. A private house or room, though used as a dwelling, which is, by reason of the work carried on there, a factory or a workshop within the meaning of the Act.

Work and Wages. In every textile factory where work is paid for by the piece, the occupier must publish to his workpeople the rate at which wages are to be paid. Sometimes the amount of work done is registered by an automatic indicator, and sometimes it is stated in writing. No worker must publish particulars of the business or methods of the factory, as this constitutes the offence of divulging a trade secret.

Inspection. The Secretary of State may appoint a chief inspector, and such staff as may be necessary for the execution of this Act. An inspector is authorised to do the following: To enter and inspect a factory or workshop by day or night; to take a constable with him, if necessary, to examine the registers, certificates, notices, and documents required to be kept; to see if the rules as to health are being obeyed; to enter a school in which factory children are being educated; and to exercise such other powers as may be necessary.

Fines. Heavy fines are imposed if a person is killed or injured through the occupier having disobeyed this Act, or if persons are employed contrary to the Act. Parents are fined if they allow their children to work contrary to the Act. Fine or imprisonment is inflicted upon any person who forges certificates or makes false declarations.

Miscellaneous. Factories and workshops belonging to the Crown are subject to the Act. A woman, young person, or child is within the Act, whether she works in the factory or workshop for wages or not. As regards the county of London, the

precautions against fire are placed in the hands of the London County Council. The following stringent rules of the Act do not apply to workshops in which only men are employed, as it is considered that men are able to look after themselves: Rules relating to temperature, thermometers, ventilation, drainage, opening of doors, dangerous machinery, inquests, hours and holidays, education, revolving fans, lavatories, meals, particulars of work and wages, notices and general register.

A young person who is a mechanic, artisan, or labourer merely employed in repairing machinery, does not come within this Act; but the Act affects him when he is engaged in his own shop or factory. The Act extends to Scotland and Ireland.

FACULTATIVE INDORSEMENT.—This is an indorsement of a bill of exchange in which an indorser has, as regards himself, waived some or all of the holder's duties, such as presentment for payment, notice of dishonour, etc. The following is an example of such an indorsement—

Pay G K B or order,

Notice of Dishonour waived.

A J M

FAHRENHEIT.—The name of a German physicist and scientific instrument maker, who invented the thermometer which is still most popularly used in England. In the Fahrenheit system the freezing point is fixed at 32° and the boiling point at 212°, whereas in the Centigrade system (*q v*) the two points are at 0° and 100°, and in the Réaumur system (*q v*) at 0° and 80° respectively.

FAIENCE.—All sorts of pottery were formerly included under this heading, but the name is now confined to the finer glazed and painted varieties. The Italian town of Faenza, where the manufacture originated, is the source of the name.

FAILURE.—The general term used to denote the bankruptcy or suspension of payment of an individual or a commercial firm or company. (See **BANKRUPTCY**, **WINDING-UP**.)

FAIRS.—A fair has been defined as "a greater sort of market"—a market being a public time and place of buying and selling. Every fair, in fact, is a market, though every market is not a fair.

The right to hold a fair is a franchise, and can be derived either from royal grant or from prescription, which presumes a grant. Such a right may also be derived from statute. The person having the right to hold a fair can only hold it within the limits, as to both time and place, specified in the grant; and must at its commencement proclaim the length of its continuance. The grant of a fair implies the right—now, however, practically obsolete—to hold a court of "piepowder" for the settlement of disputes therein. Whenever the fair is held, every member of the public has, of common right, the liberty to come into the place of it and frequent it for buying and selling, and to bring his goods therein and expose them for sale. Usually, the grant confers the right to charge tolls in the fair, and if no amount of toll is specified, a reasonable amount may be charged. Tolls are payable in respect of any sale, and are borne by the buyer; but there are certain other dues, viz., stallage and pittance, which are paid for the liberty of having stalls in a fair, and these are sometimes, though incorrectly, called tolls. The owner must charge the same tolls to all persons, though he may remit part to favoured persons.

The right to hold a fair implies a right to prevent any man holding a rival fair within 7 miles, it being

a disturbance to do so. It must be remembered that in an action for disturbance it is no defence to prove that the rival selling is on private ground, or that the defendant claims no franchise and takes no toll. Special damage must be proved if the rival fair is on a different day, but will be presumed if it is on the same day. In many cases, an action for disturbance depends on the construction of a particular statute, but it may be said generally that to sell in one's own shop, however large, is no disturbance. The right to a fair may be lost in several ways. Thus, it may be forfeited by non-use or abuse, such as holding it on a day not authorised by the grant; it may be surrendered; or it may be extinguished by Act of Parliament. This last is the most usual mode, for the Fairs Act, 1871, authorises the Home Secretary to make an order, in certain circumstances, abolishing any fair held in England and Wales. Such an order can only be made with the consent of the owner; and after a representation by the owner, the district council, or (in London) the justices of the petty sessional district, that it will be for the convenience and advantage of the public that the fair be abolished. The formalities as to advertisement, etc., prescribed by the Act must be complied with.

FAIR TRADE.—In one very important sense, all trade, whether between individuals of the same community or between individuals of different communities, is "fair." It is of advantage to each party in the exchange, and every hindrance to the freest interchange of commodities results in a decrease of the wealth of the world. For with the exchange there is a gain in utility: each party gives what he wants less for what he wants more. Each party, therefore, gains in utility; though the total gain may be divided in very different proportions between the parties. To one person the "value" of the article he seeks may be only just superior to that of the thing which he is required to give in exchange. To another person the value of the article he obtains may far exceed that of its cost to him. To the man who, having abundance of time at his disposal, hesitates whether he should take a taxi-cab or walk to the station, the utility of the coin he is required to pay as fare may be assumed to be about equal to the utility to him of a ride. To the man who has a limited period in which to make a journey on which much depends, the coin is far less valuable—has much less "utility"—than the ride. The exchange results in a greater gain of utility in the second case, and the passenger gets a greater share of it than in the first; since to the driver the coin from the man in a hurry is no more than equal to that from the man at leisure.

The value of an article depends on the intensity of the demand for it; and the intensity of demand means the number of people desirous of possessing the article and able to pay for it. Now, if a number of people are prevented—either by natural impediments, distance, lack of good roads and the like, or by artificial restrictions, prohibitions, or protective tariffs—from bidding for the article, its value is lessened. The wider the market the more chance a seller has of obtaining a remunerative price for his goods; as the market narrows, we must lower prices if we wish to sell the same amount of goods. Applied to international trade, the position comes to this: Our interest as a seller of goods is for the widest possible market and the freest entry therein; our interest as buyer is to be the sole purchaser of

supplies from various sources. In both respects we were admirably placed about the middle of the nineteenth century. We manufactured for the world and our goods commanded high prices; the whole world contended for our custom in supplying food and raw materials, and we obtained these cheaply—at a very small expense of our labour and capital. Obviously the freest trade was best for us: there was no question of any "sacrifice" in buying for the "privilege" of selling. Nowadays, though, we have many competitors who seek to supply the world's demand for manufactures; and, what is more serious than this for us, the outlets for our goods are being blocked by protective barriers. Our "seller's monopoly" is ended. And many others now draw their supplies from sources that were once exclusively at our disposal: we now, for instance, take only 25 per cent. of the United States cotton crop—the crop of which, in 1840, we had a "buyer's monopoly." Thus, our supplies cost more, because they are more in demand; and our goods sell for less, because more countries are supplying them. This being so, we need to reconsider our position.

Here, then, is the theoretical justification of the Fair Trader's attitude. The benefit of commerce does not consist in the commodities sold. A country produces an exportable article in excess of its own wants, not from the necessity of the case, but as the readiest and cheapest mode of supplying itself with other things. The real advantage of commerce consists in the imports; but since we must sell our commodities in order to obtain these imports, we must induce other nations to take our commodities in exchange. In proportion as the competition of other countries compels us to offer our commodities on cheaper terms, on pain of not selling them at all, we obtain our imports at greater cost; and in proportion as former markets are closed to us, we must either open others, or stimulate a greater demand for our goods by lowering prices in the markets we may still enter. The nature of the goods we have to offer gives us some advantage in the latter respect. For manufactured goods are usually such as are very "elastic" in demand; a slight fall in prices calls forth a greatly increased demand. But the limits of elasticity may well be reached before we have sold enough to pay for our food and raw materials. If, then, we cannot obtain the things we want by making cottons and hardware and the rest, we shall be obliged to divert our labour and capital to agriculture; but in this country we can hardly retrace the steps that have led us from a thinly-spread agricultural and pastoral community to a densely massed industrial people. In our pursuit of plenty we have ceased to ground our prosperity on the stable basis of land, and have founded it upon the fluctuating basis of trade. We get a great return for our labour; but it is at the cost of anxiety as to the disposal of our goods.

To put the matter in another way:—We must have imports; they must be paid for by exported articles, since we have no gold mines and not money enough in the country to pay for a quarter of the year's imports; but unless we can sell our goods in the best markets, we cannot procure our imports so well. Foreign protective duties do, to a great extent, prevent us from exchanging our goods on the best terms. The feelings of rival tradesmen still subsist, in great measure, in international relations. We find it difficult to appreciate the community of advantage which commercial

nations derive from the prosperity of one another. The fact that in some respects interests are hostile is the more evident; and to restrict the market of a competitor appears a more eligible way of prosperity than to extend one's own. Reciprocity treaties are the natural remedy; but our great difficulty is that we have no particular advantages to offer in exchange.

The Free Trade movement reached its zenith, perhaps in 1860, when Napoleon III, under the influence of his minister Chevalier, concluded a treaty on a reciprocal basis with us. In a too sanguine spirit we, indeed, extended the concessions to the whole world, and divested ourselves of all our weapons in the belief that Free Trade was about to become the universal policy, or in the idea that we would retain for ever the partial monopoly we then enjoyed in manufacture; but wars in Europe and in America brought out antagonistic feelings which led to the tariffs so closely akin to war. Nations regarded themselves not as co-operators, but as contestants; and to do other nations injury by restricting their trade appeared worth while, even at the cost of some inconvenience to themselves. So we have tariffs and retaliation and reciprocity. We may be quite convinced that Free Trade is the best policy; while we may yet doubt whether it is wise for a country to allow its traders to be handicapped in their competition with those of other nations. Some, therefore, advocate tariffs as a means of promoting Free Trade, as a method of negotiating for the mitigation of foreign tariffs. We can hardly expect to obtain concessions unless we have something to offer. The United States, Germany, and France have adopted an extravagantly high protective system; and their action would appear to drive other nations to a certain amount of tariff regulation, if only not to be quite defenceless. One value of a tariff is thus for purposes of negotiation; and this is admitted even by Adam Smith: "It may sometimes be a matter of deliberation how far it is proper to continue the free importation of certain foreign goods, when some foreign nation restrains by high duties or prohibitions the importation of some of our manufactures into their country. There may be good policy in retaliations of this kind when there is a probability that they will procure the repeal of the high duties complained of. The recovery of a great foreign market will generally more than compensate the transitory inconvenience of paying dearer during a short time for some sorts of goods."

There is some, though in practice slight, difference between the advocates of reciprocity and of retaliation. The first is under no delusion as to making the foreigner pay. He knows, as Mr. Balfour lucidly put it in his Edinburgh speech of 1904, that "the object of Protection is to encourage home industries. The means by which it attains that object is by the manipulation of a fiscal system to raise home prices. If the home prices are not raised, the industry is not encouraged. If the industry is encouraged, it is by the raising of prices. That is, in a nutshell, Protection properly understood." For, of course, if the foreigners paid the duty, the foreign competition would continue as it did before the imposition of the duty; and no Protection would be afforded.

The advocate of reciprocity believes that *universal* Free Trade is the most effective way of using the productive forces of the world; but he does not believe in its *partial* application, in one-sided Free

Trade. He wishes for a protective tariff to serve as a means of inducing foreigners by mutual concessions to adopt "true" Free Trade. In Canada, indeed, many seek to disguise their advocacy of commercial union with the United States under the name of "unrestricted reciprocity." But it is Free Trade over the whole of the North American Continent that is contemplated by the parties; and the Reciprocity Treaty proposed between Canada and the United States was an enormous stride in that direction. Already the United States, within their area as large as Europe, have absolute Free Trade; there is complete freedom of interchange between the cotton States of the South, the corn fields of the Middle West, and the manufacturing communities of the East. With Canada included in its commercial system on a Free Trade basis, there would almost inevitably be in the end a political union; just as the Zollverein, the Customs Union, paved the way for the unification of Germany. Canada commercially joined to the United States, and politically united to the British Empire, would be an anomaly that could not long exist. John Bright's prophecy would be realised: "If a man had a great heart within him, he would look forward to the day when, from that point of land which is habitable nearest to the Pole, to the shores of the Great Gulf, the whole of that vast Continent might become one great confederation of States—without a great army and without a great navy—not mixing itself up with the entanglements of European politics—without a custom-house inside, through the whole length and breadth of its territory—and with freedom everywhere, law everywhere, peace everywhere—such a confederation would afford at least some hope that man is not forsaken of Heaven, and that the future of our race may be better than the past." Those who would prefer to have Canada remain within the British Empire need to create and foster common interests of trade and of defence. Otherwise, though, as we are assured, "the discrimination would *not* be directed against British commerce; it would be merely a *necessity* incidental to an arrangement for the benefit of Canada with the United States," the disintegrating influences will be too strong.

Retaliation is advocated by those who believe that Free Trade is good and that restrictions are harmful, but who would restrict themselves in order to inflict injury on other nations. In a spirit of vindictiveness they would spite themselves to punish others, or to force others to amend their ways; but retaliation is only too likely to provoke further retaliation rather than reciprocal concessions.

Many theories as to trade will have to be modified as the result of the Great War, and without a doubt those relating to Fair Trade will not be left untouched. It is too soon, however, to speculate upon what will happen in the next few years. For this reason this article has been reproduced in the same form as it appeared in the last edition. It presents the view taken in the past by the Fair Trader, and even if practice brings about a change of ideas, it will not be without interest to have the pre-war position set out as above.

FALKLAND ISLANDS.—The Falkland Islands lie about 300 miles to the east of the southern extremity of the mainland of South America, opposite the entrance of the Strait of Magellan. The two main islands are East Falkland and West Falkland. The total area of the group is 6,500 square miles, and the population 3,500. They

were discovered by Davis in 1592, and after being held by several Powers in succession, were finally occupied by the British in 1833 as a refitting and provisioning station for ships engaged in whaling and fishing.

The surface of the islands is hilly, wild, and rugged, with extensive moorlands, where peat, the principal fuel, is found. Although the rainfall is not great, rain falls two days out of every three, and misty weather is frequent. There are no trees, and grain and vegetables are cultivated only with difficulty. The characteristic native plant is tussac grass, which grows to a height of 6 or 7 ft.

Some gold is found, but the principal wealth of the island lies in the three-quarters of a million sheep which are kept. Horses and cattle have also been introduced. The chief export is wool, with other sheep products, frozen mutton, hides, tallow. The chief imports are provisions, clothes, timber and building material, machinery, and ironmongery. There is practically no trade with any other country than the United Kingdom. The only town, *Port Stanley*, situated on a land-locked harbour in the north-east of East Falkland, with facilities for repairing of ships, is the seat of Government, and has a population of 800.

The islands are administered as a Crown colony.

The Falkland Islands are closely connected with the brilliant naval action of the 8th December, 1914, when Admiral Sir Doveton Sturdee destroyed four of the five German vessels engaged in depredation in the Southern Pacific under Admiral Von Spee, without any loss on the part of the British. A fifth vessel belonging to the German squadron was afterwards overtaken and sunk.

South Georgia is a dependency of the Falkland Islands.

(For map, see SOUTH AMERICA.)

Mails are sent to the Falkland Islands once a month, via Liverpool. The time of transit is about twenty-five days. Telegrams may be despatched to Monte Video (Uruguay) and then forwarded by post.

FALSE IMPRISONMENT.—This tort (*q.v.*) consists in confining or detaining a person without lawful authority. It is not necessary that the detention should be in a house or other building; it is sufficient if a person is hindered or prevented from exercising his rights of freedom in any way whatever. Again, it is false imprisonment for any person to give another into the custody of a police constable upon a wrongful charge; and in certain cases, when the alleged offence is a misdemeanour and not a felony, a private individual has no right, generally speaking, to give an offender into custody at all. (See ARREST.) In an action for false imprisonment, the plaintiff must prove his arrest and his discharge; and in order that the defendant may obtain a verdict in his favour, he (the defendant) must satisfy the court that he had reasonable and probable cause for believing that the plaintiff had committed a felony. In the article on ARREST it will be seen that a police constable is not in so difficult a position, as an officer on duty has the right to arrest on suspicion. Unless the case is very clear, a private person should be very careful in acting upon his own responsibility, for, although a jury may give practically no damages in the action, when all the circumstances of the case are taken into consideration, there is always the risk of expense and annoyance attached to an action

of this kind, which is often of a speculative character. (See MALICIOUS PROSECUTION.)

FALSE PRETENCES.—This is a misdemeanour (*q.v.*) very frequently met with, but one which is rather of a technical character and requires careful consideration, owing to the fact that a mistake in prosecuting a person for the alleged offence may result in an action for malicious prosecution (*q.v.*); and although in such an action the defendant may either be successful or escape with nominal damages, the expense and trouble caused by such a proceeding are not to be taken lightly in hand.

Roughly speaking, whosoever by any false pretence obtains from any person any chattel, money, or valuable security with intent to defraud, is guilty of an indictable misdemeanour, or with which justices of the peace, or a stipendiary magistrate (if it is thought fit and the defendant consents to such a course) may deal under certain conditions. The chief things taken into consideration are the value of the property obtained or the age of the accused person. It is not sufficient to prove the obtaining of the property, but it must be clearly shown that the transfer of the same was the actual result of the fraudulent representation of an existing fact. To use the words of a well-known authority: "To constitute the crime in question (a) there must be an intentional and specific representation of some pretended *existing* fact (not a mere promise or representation as to the future, unless based upon or involving some existing fact) which the maker knows to be untrue, but the pretence need not be made in words—'acts, conduct, or silence' may be enough; (b) the representation must be material to the matter in hand and not too remote; (c) it must be made with intent to defraud; and (d) the person to whom it is addressed must in point of fact believe it, and make over property on the strength of it. The *opinion* formed by the person defrauded as to the truth or otherwise of the statement made to him by the prisoner is, therefore, admissible as evidence of his belief in the truth of the false pretence. There must, of course, be evidence that the accused acted *fraudulently*, as, e.g., if a man sells a brass ring as a gold ring, there must be evidence that he knew the ring was *not* a gold ring. . . . The pretence need not be made *directly* to the person from whom the money, etc., is obtained. Thus, in one case, an officer of a friendly society made to the *secretary* a return of members entitled to sick pay, and wrongfully included the name of a man who was not so entitled. The same officer afterwards received, through the *treasurer*, the amount shown by the return, and retained it in discharge of a debt due to him from the man whose name he had fraudulently included in the return. A conviction for making a false pretence to the *treasurer* was upheld."

When a person is of opinion that he is being defrauded in this manner, he cannot order the summary arrest of the suspected person. He must lay an information at the proper police court, when either a summons or a warrant will be issued, if there is a *prius facie* case made out to the satisfaction of the justices or the stipendiary magistrate.

An attempt to obtain by false pretences is also a punishable misdemeanour.

FALSIFICATION OF ACCOUNTS.—(See ACCOUNTS, FALSIFICATION OF.)

FALSIFYING NEWS.—The spreading of false

news for the purpose of raising or depressing the prices of goods, wares, or merchandise is an indictable misdemeanour, and when this is done by two or more persons it forms what is known as a conspiracy, for which either criminal or civil proceedings may be taken. Although the words "goods, wares, or merchandise" do not, so far as the Sale of Goods Act, 1893, is concerned, include stocks and shares, they do include them as far as this offence is constituted.

FAN.—An implement used for creating a current of air. The article originated in China, where fan-making is still an important industry. Japan, which introduced the folding variety, also does a large trade in fans. The stick of ornamental fans may be of bone, mother-of-pearl, wood, tortoise-shell, or ivory; and costly materials of all sorts are employed for the upper part. These include feathers, silk, lace, delicate hand-painted fabrics, etc. The manufacture of the most dainty specimens is practically confined to Paris, which has long been noted for her achievements in this direction. The large fans used for ventilation and in various mechanical operations consist of metal blades, and the air is circulated by continuous rotation. In India a huge fan, known as a "punkah," is used for ventilating purposes. It is made of cloth, stretched on a light framework suspended from the ceiling, and is usually manipulated by means of a cord.

FAN or FUN.—(See FOREIGN WEIGHTS AND MEASURES—CHINA.)

FANEGADA.—(See FOREIGN WEIGHTS AND MEASURES—SPAIN.)

FARINA.—A term of wide application, including a variety of starchy substances. Farinaceous foods are prepared mainly from cereals, such as wheat, rice, maize, etc., but they also include tubers like arrowroot, potatoes, and tapioca, and leguminous substances, such as peas, beans, etc. As a commercial term, "farina" stands for potato starch, but this article is frequently adulterated with arrowroot, tapioca, butter, etc. In South America the meal of the cassava is known as farina.

FARRIERS.—Farrier, in its older sense, meant one who held himself out to the public as skilled in the treatment of the ailments of horses and as a shoer of horses. The two things are often combined, but there is a clear distinction now between the horse doctor or veterinary surgeon and the farrier who undertakes the shoeing of horses. Often this is the blacksmith, who undertakes no other treatment of horses than shoeing them; but at the same time carries on many other kinds of work which have nothing to do with this. The subject of the veterinary surgeon will be treated in another article. Here we only consider the rights and responsibility of those who undertake to shoe horses for others for reward, which is the modern meaning of farriery. The verb "to farry," which is now very unusual, was used rather to mean the treatment by physic or surgery than the shoeing of horses; and in two Acts of Parliament of 1839 and 1847 it occurs in the phrase "to shoe, bleed, or farry any horse or animal."

A person who publicly professes the art or occupation of a farrier is classed amongst such persons as innkeepers, carriers, and ferrymen, who must exercise their calling for the benefit of the public, and cannot refuse or neglect to do so unless they have some reasonable excuse which is recognised by the law. The mere fact that a horse is sent

to a farrier to be shod makes the farrier liable to be sued if he does not shoe it, if it is within his power to do so; just as if he had entered into a contract and had failed to perform it. He would have a good defence if he showed that he was called upon to do the work when he had not time to do it or at an unreasonable hour. This would be analogous to the case of an innkeeper who refuses guests if his house is full, though he is *prima facie* under a duty to receive all guests.

Most of the cases are very old in which points as to the farrier's rights and responsibilities have been raised or settled. Thus, for the law that a farrier is bound to shoe a horse only if it is brought to him at a reasonable time, or that a farrier who lames a horse in shoeing, is liable to the owner, the authorities quoted go back to the times of Edward III or Henry VI. In the latter instance it is treated only as an example of the general rule that it is the duty of every artificer to exercise his art rightly and truly as he ought; and as a master in general is responsible for his servants' acts, so the farrier is responsible if a horse is injured in shoeing by his servants' negligence. But he is not responsible for any malicious injury a servant may do; for instance, if he intentionally drives a nail into the horse's foot. The master guarantees that he himself possesses a reasonable skill, and will exercise it; and the same for his servant. The undertaking is, then, to be reasonably skilful and not negligent, but insurance that no injury shall happen in the shoeing is not an implied term of the contract. A horse may be pricked in shoeing without either unskilfulness or negligence on the part of the operator. The state of the foot may be the reason, and must be taken into account. If there were some special condition of the horse's foot, the farrier ought to be told, so that he may either take particular precautions, or decline to undertake the work. He would not be liable, not being informed as to the facts, if he only acted in the ordinary way. Being told, he may either decline the job or undertake it on special terms, or on the understanding that he will not be responsible for the consequences. And in any case where the farrier himself perceives any special risk in doing the work, he may decline to do it, or do it only on conditions protecting him. Thus as regards the question of reasonable time, Chief Baron Pollock, in a case tried over seventy years ago, said: "It appears to me in point of law that if a person, called upon at an unreasonable time, undertakes to do it without declaring he will not be responsible, he does it with the same responsibility as if he did it at any proper time."

In a case of the time of Edward IV, it was said that if one farrier sends a horse to another who shoes it and pricks it, the owner might sue either of them at his option.

Horses sent to a farrier to be shod cannot be distrained for rent; and it hardly needs any authority for the proposition that horses sent to farriers are not within their order and disposition in the meaning of the bankruptcy law. The trade custom and its notoriety as excluding the reputed ownership of farriers are inevitable inferences.

The farrier may detain a horse that he has shod as a lien for his charges for shoeing until the amount has been paid or tendered; But the horse cannot be detained for past charges for work done by the farrier—only for the work done on the particular occasion on the animal itself. If the farrier exercises this right of lien, he is bound to feed it and

take care of it, without being able to recover the expense; so that in these days the right of lien is not as useful as it used to be in earlier times, when it was not so easy to sue for small sums due for work done.

It is an interesting reminder of the primitive conditions even in towns before the Local Government Acts began to lay down rules for their convenience and sanitation, that by the Metropolitan Police Act, 1839 (2 and 3 Vict. c. 47) every person who in any thoroughfare or public place shoes, bleeds, or farrys any horse or animal, or cleans, dresses, exercises, or breaks any horse or animal to the annoyance of the inhabitants or passengers, is made liable to a fine not exceeding 40s. There is a similar provision in the Town Police Clauses Act, 1847 (10 and 11 Vict. c. 87), so that this is the law in any place that has adopted this Act.

FARTHING.—This word is derived from the Anglo-Saxon *feorthing*, meaning a fourth part. It is the fourth part of a penny. At one time the penny was divided into quarters by two deep cuts, so that a fourth could be easily broken away. In accounts, farthings are indicated by fractions of a penny. In banking accounts, farthings do not occur, as fractions of a penny are not recognised. Farthings were first coined in 1672. The standard weight of the coin is 43.75 grains troy. The coin is made of a mixed metal, composed of copper, tin, and zinc. (See COINAGE.)

FASS.—(See FOREIGN WEIGHTS AND MEASURES—GERMANY)

FATHOM.—This is the measure of length principally employed in ascertaining the depth of water and mines, and for regulating the length of cordage and cables. It is said to be derived from the Anglo-Saxon *fæthm*, a word which signified the length of the outstretched arms, about 6 ft.

FAVEN.—(See FOREIGN WEIGHTS AND MEASURES—DENMARK)

FAVOUR.—This is a name which has now become commonly used in commercial correspondence to indicate a letter received.

FEATHERS.—The feathers most favoured for purposes of ornamentation are those of the ostrich and the bird of paradise, but as these are expensive, many other varieties are in common use, including those of the albatross and the penguin. Feathers are also in great demand for cushions, pillows, etc. The eider-duck provides the best quality for this purpose, but the feathers of swans, geese, ducks, and fowls are also much used.

FEDDAN.—(See FOREIGN WEIGHTS AND MEASURES—EGYPT.)

FEDERATION OF BRITISH INDUSTRIES.—This was established a few years ago, to give a means of association to industry, whether individual firms or trade associations—"a broad platform whereon to express its voice in the councils of the country." It has developed with great rapidity, and to-day it is an organisation representative of some 18,000 manufacturing firms with a netted capital of £4,000,000,000. It has a direct membership of considerably over a thousand of the most important industrial concerns in the country, whilst upwards of 16,000 manufacturing firms are indirectly associated with it through their various trade associations.

The operations of the Federation are wide and varied. First and foremost, it seeks to safeguard and advance the interests of British industry as a whole. Organised on a democratic basis, it is able to speak to Governments in the name of all

trades of the country, and to secure a hearing for the legitimate claims of any one of them. Nor is the service which the Federation offers to its members confined to large-scale efforts of this kind. There are many ways in which it is able to assist the individual member, e.g., in getting information from Government Departments, public institutions, and the like.

FEE.—There are two senses in which this word is used: (1) To denote a grant of land made in return for ancient feudal services; and (2) to signify a recompense in return for services rendered or to be rendered.

FEE SIMPLE.—Where a person is the absolute owner of an estate, as far as the law of England will allow, he is said to hold it in "fee simple," and he can practically do what he likes with it. If he dies intestate, it goes to his heir or heirs. A conveyance of a freehold to a purchaser in fee simple contains such words as "To hold unto and to the use of the purchaser (naming him) in fee simple," or, what has the same effect, "To the use of the purchaser, his heirs, and assigns for ever." Legally all land is held directly or indirectly from the King, but practically that does not affect the absolute ownership in a fee simple.

The greatest interest which can be had in land is the fee simple, other interests, such as a life interest, or a lease, being estates less than the fee simple. The holder of a fee simple can create other estates out of it, but so long as he does not dispose of the fee simple, it remains vested in him. In the case of a lease, no matter for how long a period, the fee simple remains in the person who grants the lease, though the person who holds the lease or the assignment thereof has the legal estate in the land for the period for which it is leased or assigned. At the expiration of a lease the land reverts to the grantor, or the person entitled to the fee simple.

In copyhold land, the fee simple remains with the lord of the manor.

FEES PAYABLE ON REGISTRATION OF COMPANIES.—(See REGISTRATION OF COMPANIES.)

FEE TAIL.—This is the name given to an estate which is granted to a person and the heirs of his body. The estate is generally described as an entailed estate (*q.v.*). This estate, like an estate in fee simple (*q.v.*) and an estate for life (see LIFE ESTATE), is a freehold. It does not descend, however, to heirs generally, but is limited to the heirs of the body, and if there is a special entail, the land must descend in the direction indicated. Thus there may be either a special tail male or a special tail female.

FELONY.—Crimes are divided into two main classes, felonies and misdemeanours (*q.v.*). It is the popular opinion that the former include all the more serious offences known to the law, and the latter those which are not so heinous. Practically, this is generally true; but the distinction between the two is a matter of history. Until the year 1870, a person convicted of felony was deprived of his property. This is a relic of the old feudal law, and the word "felony" is said to be derived from the two old words "fee" and "loq," the former signifying a fief or feud, and the other price or value. The chief offences known to the law in ancient times were felonies, but in modern times various statutes have introduced new offences, and it is by statute that a felony or a misdemeanour is now constituted. If in a statute it is declared that an offender against the provisions contained in it is to be deemed to

have acted "feloniously," the offence is a felony; if not, it is a misdemeanour. To show how erroneous is the view that the seriousness of the offence constitutes the basis upon which the distinction is made, it is only necessary to give one example. Thus, perjury is a misdemeanour, whereas simple larceny is a felony. It will be seen, therefore, that it is necessary to look to the various statutes dealing with offences before coming to a conclusion as to the class in which each is to be placed.

Forfeiture of goods in cases of felony was put an end to in the year 1870.

There are various incidents still attaching to the two kinds of crimes which are worthy of notice. Thus, there exists a right of arrest without a warrant in certain cases of supposed felony, but not in the majority of cases of supposed misdemeanour. But the right of arrest on the part of a private person is strictly circumvented, whereas a police-constable has a much wider authority. (See ARREST, RIGHT OF.) Felonies can only be tried upon indictment or inquisition (*q.v.*); misdemeanours may also be tried upon information (*q.v.*). The prisoner who is charged with felony has a right to challenge the jury peremptorily; no such right exists in the case of a misdemeanour. The method of swearing the common jury differs in the two cases. (See JURY.) Again, in a trial for a felony the prisoner must be present throughout the trial; in a trial for a misdemeanour this is not essential. Greater leniency is extended as to bail in cases of misdemeanour than in cases of felony.

Lastly, a felony must, generally speaking, be prosecuted before a civil action can be entertained; the prosecution of a misdemeanour is not of necessity a preliminary required before entering a civil action.

There may be accessories both before and after the fact to felonies. (See ACCESSORIES.)

FELSPAR.—(See ALUMINA.)

FELT.—A fabric prepared usually from woollen materials without either spinning or weaving. The wool from which the felt is to be obtained must be strong and elastic, and its fibres must have a natural tendency to combine with each other, that is, they must possess numerous serrations ready to interlock. The method of preparation is as follows: The waste woollen material is moistened by steam and passed between heavy rollers by which means a compact cloth is obtained. Felt is used for a variety of purposes. Among the articles made of it are carpets, covers, gun-wads, pianoforte hammers, and felt hats, for the manufacture of which Australian wool is in great demand, though fabrics of silk and fur are also used. The headquarters of the hat-making industry are at Denton and Stockport. Coarse felt saturated with pitch, coal tar, or asphalt, is employed for covering roofs, vessels, and iron buildings. The manufacture of this variety is a widespread industry both of Europe and of the United States. Another sort of coarse felt is used by the peasants of Russia for boots, shoes, and winter garments, as it resists the intense cold better than any other material.

FEME SOLE.—This is an old French phrase, and means an unmarried woman, whether a spinster or a widow. It was naturally imported into England after the Norman conquest, and it still maintains its place in English legal works and in Acts of Parliament when the position of a female is considered as apart from her status as a married woman.

FENNEL.—An umbelliferous plant, a native of

Europe, but now widespread also throughout Asia. It possesses an agreeable flavour and odour, and has many uses. The seeds are used as a condiment, especially by Italians. They also contain an essential oil of medicinal value as a narcotic and stimulant. The leaves are served as a salad, and are used in making sauces for fish, and the stems are sometimes boiled as a vegetable.

FENUGREEK.—A genus of plants of the same class as the clover. The name is due to the fact that it was used by the Greeks (as fodder). In India the seeds are employed as a condiment, and curry powder is made from them. Certain ointments are also prepared from the oil yielded by them.

FEOFFEE.—(See FEOFFMENT.)

FEOFFMENT.—(Pronounced "fel'-ment.") This is the name given to an ancient method of conveyance of property. Feoffment was accompanied by actually handing over the possession of the land, as by the delivery of a piece of turf, or by the grantor vacating the land and the grantee taking possession. This delivery of possession was called "livery of seisin." The person delivering it was called the feoffor and the person receiving it the feoffee.

FEOFFOR.—(See FEOFFMENT.)

FERRY.—"The exclusive right to carry persons and their goods in boats across a river, and to take toll for such carriage." This right is a franchise, and may be created by Act of Parliament, by royal grant, or by prescription. A ferry, when created, becomes a species of highway; and, though a person may be the owner without being owner of the water, or of the soil on either side of the river, the owner of the ferry must have over the soil such rights at least as will authorise him to embark and disembark his passengers thereon. Proprietorship of a ferry involves obligations to the public, and confers corresponding privileges. The owner must maintain the ferry in good order, and properly equipped for conveyance of passengers and goods, and charge only reasonable tolls for its use. Default in the performance of any of these duties renders him liable to indictment; and, if he undertakes the carriage of goods, he becomes a common carrier, and is liable to keep them safe in all events. In return for these liabilities he has the exclusive right to carry passengers and goods between the points served by his boat, and can sue for disturbance any person infringing his monopoly. If he commences such an action, it is sufficient for him to show that he is in possession of the ferry, without going into his title, and a jury have been held entitled to presume a legal origin from an undisturbed user of thirty-five years. If the circumstances of the neighbourhood change so that additional accommodation is needed, other means of passage may be established in the neighbourhood, without risk of an action for disturbance. As it has been judicially put: "It may be that no action can be maintained in respect of the new ferry, if it has been set up *bond fide* for the purpose of accommodating a new and different traffic from that which was accommodated by the old 'ferry.'" It has also been held that a ferry is not the grant of an exclusive right of carrying passengers and goods across a stream by any means whatever, but only by a ferry; and accordingly to construct a bridge across a river already served by a ferry has been held not to be a violation of the rights of the ferry owner. Having regard to the nature of a ferry, its incidents may be regulated by such customs as

admit of a reasonable origin, e.g., a custom for all the inhabitants of a town to have a right of passage over a ferry without paying toll has been held to be good, for it admits of a reasonable origin. Lastly, though the owner of a ferry is to a certain extent in a public position, he is under an ordinary duty to take care as regards third parties, and, therefore, when a steam ferryboat did damage to other vessels while plying in a thick fog, he was held liable, the plea of public convenience not availing as a defence. One of the most interesting recent cases connected with the rights arising out of a ferry is that of *Hammerton v. Earl of Dysart*, 1916, 1 A.C. 57.

FERTILISERS AND FEEDING STUFFS.—The first Fertilisers and Feeding Stuffs Act was passed in 1895; but it was repealed and replaced by the Act of 1906 (6 Edw. VII. c. 27), which contains the present law as to the adulteration of agricultural fertilisers and feeding stuffs. It is intended to protect the purchaser from fraud in the interests of agriculture; and so far it modifies the common law rule that the buyer must look after himself—*caveat emptor*.

Definition. A fertiliser is any article used for fertilising the soil. Feeding stuff means any article used as food for cattle and poultry; and cattle for the purposes of this Act means bulls, cows, oxen, heifers, calves, sheep, goats, swine, or horses. (See title CATTLE.)

Civil Liability. 1. Any wholesale or retail seller who sells a fertiliser which has been subjected to any artificial process in this country, or which has been imported from abroad, must give to the purchaser an invoice stating the respective percentages of nitrogen, soluble phosphates, insoluble phosphates and potash in the article. This invoice acts as a warranty that the percentages do not differ beyond the prescribed limits of error allowed by regulations under the Act that has been made by the Board of Agriculture. The expression "soluble and insoluble" means soluble or insoluble in water; or, if so specified in the invoice, in a solution of citric acid or other solvent of a strength prescribed in the regulations. The percentage of soluble and insoluble phosphates means respectively the percentage of tribasic phosphate of lime which has been and that which has not been rendered soluble.

2. A wholesale or retail seller of feeding stuffs artificially prepared must give an invoice stating: (a) The name of the article and whether it has been prepared from one substance or seed, or from more than one substance or seed; (b) in the case of any article artificially prepared otherwise than by being mixed, broken, ground, or chopped, what are the respective percentages of oil and albuminoids in the article. The invoice is a warranty as in the case of fertilisers. When the article is sold under a name or description implying that it is prepared from any particular substance or from any two or more particular substances, and without indication that it is mixed or compounded with any other substance or seed, there is an implied warranty that it is pure, that is to say, is prepared from that substance or those substances only, or is a product of that seed or those seeds only. There is a general implied warranty by the seller that the article sold is suitable to be used as a feeding stuff. Any statement by the seller as to the percentages of ingredients in a fertiliser or of the ingredients in a feeding stuff in an invoice or circular or advertisement has effect as a warranty. When two or more ingredients of a fertiliser or feeding stuff are mixed at the request

of the purchaser, it is sufficient to state in the invoice the percentages of the several ingredients before mixture, and that they have been mixed at the request of the purchaser.

Offences and Penalties. Sale of a fertiliser or food stuff without giving or refusing the invoice required by the Act; any false statement of a material particular in the invoice or description; sale of a feeding stuff containing any ingredient deleterious to cattle or poultry, or any worthless ingredient not disclosed at the time of sale, all these entail maximum penalties of £20 for the first offence and £50 for any subsequent offence. The seller also remains liable for the civil damages, the Act makes him responsible for his warranty. But the seller is not liable to the penalty for a false statement, in the invoice or particulars, if he proves that he did not know and could not with reasonable care have ascertained that it was false; or if he shows that he himself purchased the article with a written warranty or invoice from a person in the United Kingdom which contained the false statement; that he had no reason to believe when he sold the article that the statement was false; and that he sold the article as he purchased it.

Analyses. There is a chief Agricultural Analyst appointed by the Board of Agriculture, and every county council must, and the council of boroughs may, appoint an official agricultural analyst and samplers.

Every purchaser of a fertiliser or feeding stuff is entitled to have it analysed by the agricultural analyst; but he must take samples within ten days after delivery of the article or receipt of the invoice whichever is later. An official sampler, either at the request of the purchaser or independently, may take samples of such articles sold, exposed, or kept for sale, in order that they may be analysed by the agricultural analyst. The manner in which samples must be taken, and the duties of the agricultural analyst in making the analysis and certifying the result, are prescribed by the regulations made by the Board.

The certificate of the agricultural analyst or chief analyst is sufficient evidence of the facts stated in it in either civil or criminal proceedings, if the samples have been taken in the prescribed form, unless the defendant requires the analyst to be called; but no prosecution can be instituted except with the consent of the Board, and the Board cannot give consent unless an analysis is made as prescribed and the Chief Analyst has given a certificate of it. The purchaser is entitled, apart from bringing civil or criminal proceedings, to have an article analysed by the agricultural analyst, samples of which have been taken otherwise than in accordance with the regulations.

Prosecutions may be brought either by the aggrieved purchaser, or by a county or borough council, or by any body or association authorised by the Board to bring them. The consent of the Board, however, as above-mentioned, is to be given, and, moreover, the offence of causing or permitting an invoice or description to be false cannot be prosecuted after three months from the date when the purchaser received the invoice. There is an appeal from all summary convictions to the quarter sessions.

FEU.—This word signifies land held under feudal tenure. (See FEU CONTRACT.)

FEU CONTRACT.—In Scotland, a contract between a superior and his vassal respecting the giving of land in feu; feu being a tenure where the

vassal holds land from the superior, and, instead of performing military service, makes an annual return in grain or money.

FEVERFEW.—A perennial plant of the *Compositae* order, closely allied to the camomile, and found in hedges and cornfields. It was formerly used as a remedy in cases of fever.

FI. FA.—(See *FIERI FACIAS*)

FIAT.—This word is commonly used to denote a formal order. Thus, certain prosecutions or other legal proceedings are not allowed to be taken, except the fiat of one of the law officers of the Crown is first obtained. The word is Latin, and its exact meaning is "let it be done."

FIBRES.—Thread-like substances derived from the animal, vegetable, and mineral kingdoms. Silk, wool, and hair represent the first class; cotton, flax, jute, hemp, esparto and other grasses, coir, and the leaves of certain palms are the chief vegetable fibres; and amianthus and asbestos are among the most important fibrous substances of the third class. The various articles mentioned are dealt with under separate headings.

FICTITIOUS BILL.—This is a name which is sometimes given to an accommodation bill (*q.v.*).

FICTITIOUS PAYEE.—Where the payee of a bill of exchange or a cheque is a fictitious or a non-existing person, *e.g.*, a person who is dead, the bill or the cheque may be treated as one payable to bearer, that is, it can be negotiated without indorsement. In the case of *Bank of England v. Vaghano*, 1891, A.C. 107, the leading case upon the subject, the meaning of a "fictitious" person was extended so as to include a real person who never had nor was intended to have any right to the bills of exchange which were there in dispute. Lord Herschell said in the course of his judgment: "I have arrived at the conclusion that whenever the name inserted as that of the payee is so inserted by way of pretence merely, without any intention that payment shall only be made in conformity therewith, the payee is a fictitious person within the meaning of the statute, whether the name be that of an existing person or of one who has no existence."

This decision has not been always looked upon as altogether satisfactory from a business point of view, but as it is a decision of the House of Lords, it must stand as an authoritative statement of the law until it is altered by legislation. The doctrine has been also applied to cheques; but some of the decisions are very conflicting, and the particular facts of each case have much to do with the judgments pronounced.

A cheque made payable to "wages" or "estate," or some similar word, is payable to an impersonal payee, and should be treated as being payable to the order of the drawer and requiring his indorsement, and not as payable to a fictitious person. An impersonal payee is not the same as a fictitious person. This is said to be consonant with practice, although there are authorities who maintain that such bills and cheques are equivalent to those to bearer. (See *PAYEE*.)

FIDELITY GUARANTEE.—It is a common practice to make the employment of a person in any position of trust, or the appointment of a person to a public or private office, conditional upon his obtaining from some person or persons of good financial standing, or from a recognised guarantee association (*q.v.*), a bond by which the guaranteeing person or the insuring association undertakes to indemnify the employer against any dishonesty or

malpractices of the servant, or the public or persons concerned from loss by reason of the officer's misconduct. In the case of many offices such a bond is required by law, *e.g.*, letters of administration will not be granted until the proposed administrator and his sureties undertake for his proper dealing with the property of the deceased; and the officers of county councils, and of local authorities acting under the Public Health Acts, must, before entering on their duties, where those involve the handling of public money, give sufficient security for the faithful execution of their respective offices and for duly accounting for all moneys which may be received by them. In some of these cases the authority may pay the premiums on guarantee policies of their officers, but must treat such payments as part of the salaries of the officers.

The liability on fidelity guarantees will depend upon the terms of the particular contract, but, subject to these, will follow closely the ordinary law as to guarantee (*q.v.*), except that the liability of the surety will only commence when the person has been legally appointed to his office or taken into employment, and will only continue while that particular employment lasts. Generally, a fidelity guarantee comes under the class known as continuing guarantees (as to which, see *GUARANTEE*), that is, it is so framed as to apply to matters extending over an indefinite time, and unless restricted by the contract the liability of the surety will correspond in duration with that of the employment. But the surety will be discharged if the officer or servant is appointed to a new employment, or set to different and more risky tasks. As a rule, any material alteration in the contract between the employer and the servant will discharge the surety, unless he is informed thereof and consents thereto. A mere alteration of salary will not, under ordinary circumstances, be such an alteration; but the substitution of a new employer for the old one will be, for, in the absence of an agreement to the contrary, a continuing guarantee is revoked by any change in the constitution of the persons to or for whom the guarantee was given. Of course, the constitution of a corporation is not altered by a change in the membership of the council, but the constitution of a partnership firm is changed by the retirement or admission of a partner. An employer cannot claim under a fidelity guarantee if he deliberately puts unusual temptation in the way of his servant, and if he knows of the latter's dishonesty or has reasonable grounds for suspecting that the servant is acting improperly, he must inform the surety thereof, so as to give the latter an opportunity of withdrawing from his undertaking, or of taking steps to check or minimise his loss. (See also *GUARANTEE*.)

A statement of the practice as to fidelity guarantees in respect of banking may be useful. The Bankers' Guarantee and Trust Fund is for the mutual guarantee of bank officials employed in the United Kingdom. The subscription for membership is £1 per cent. on the amount of the guarantee. Payment may be made either in one sum or by five equal annual instalments, but when payment is thus deferred, 1s. per cent. on the amount of guarantee must be added to each instalment until the whole is paid. If a member leaves the service of his employers, he will not be called upon to pay the instalments then outstanding. An entrance fee is also charged at the rate of 4s. per cent. on the amount of the guarantee whether given in one or

more policies. Guarantees exceeding £3,000, and not above £5,000, are issued, as regards the excess of £3,000, at special rates. Policies are issued for bank messengers and porters, at an annual premium, without membership.

When a policy of insurance is required, a form of proposal must be filled up, various questions being answered by the employer and others by the applicant. The applicant is required to submit the names of three or four referees who must be householders, and have known the applicant for some length of time, one (if possible) resident in London, and one to be the last employer (or late school-master), if it is a case of a first situation.

FIDUCIARY CAPACITY.—When one person holds anything in trust for another person, the former is said to be acting in a fiduciary capacity towards the latter. The word "fiduciary" is derived from the Latin, *fiducia*, confidence or trust. An illustration may be given in the case of a banker. If a banker has notice that certain moneys which are deposited with him are held in a fiduciary capacity, he must not, knowingly, be a party to any wrongful use of such moneys, otherwise he will be responsible to the person entitled to the moneys. On the other hand, however, if the banker is unaware that the moneys are trust funds, he cannot be held responsible.

FIDUCIARY CURRENCY AFTER THE WAR.—The *Fiduciary Currency*—the trust money—of the country consists of paper money unrepresented by gold, and circulating merely because of the credit enjoyed by the issuers. The pre-war amount of fiduciary currency that was legal tender, in comparison with the enormous amount of monetary transactions, was exceedingly small. The amount had been definitely fixed by the Bank Charter Act of 1844 in 1914 the Bank of England, through the absorption of issues of country banks that had foregone the privilege of emission granted by the Act of 1844, was authorised to issue notes to the amount of £18,450,000 uncovered by gold, and there was a relatively small amount, £2,218,875, of authorised country issues.

War exigencies, the necessity imposed upon the Government to meet its expenditure by the creation of credits, brought into being another kind of fiduciary money. The acute crisis on the declaration of war led to the Currency and Bank Notes Act, 1914. This Act suspended the Bank Charter Act of 1844, and permitted the Bank of England to issue notes in excess of the legal limit. It empowered the Treasury, moreover, to issue notes of one pound and of ten shillings as legal tender throughout the United Kingdom, and despite the rise in prices and consequent unrest due mainly to currency inflation, the power was made use of to an excessive extent. The estimated amount of legal tender money (apart from silver and bronze coins) in bank reserves and in circulation in the United Kingdom was, on the 30th June, 1914—

Fiduciary Issue of the Bank of England	£18,450,000
Bank of England Notes issued against gold coin or bullion	£38,476,000
Gold coin held by banks (excluding gold coin held in Issue Department of the Bank of England) and in circulation	£123,000,000
Total	£179,926,000

The figures on the 10th July, 1918, were estimated at—

Fiduciary Issue of the Bank of England	£18,450,000
Currency Notes not covered by gold	£230,412,000
Total Fiduciary Issues	£248,862,000
Bank of England Notes issued against gold coin or bullion	£65,368,000
Currency Notes covered by gold	£28,500,000
Gold coin held by banks (excluding gold coin held in Issue Department of the Bank of England) and in circulation	£40,000,000
Grand Total	£382,730,000

That is, we had no longer a gold standard, and energetic measures were needed to restore it if we were to retain our unique position in international finance. The measures in regard to the fiduciary currency that were unanimously advocated by the influential *Committee on Currency and Foreign Exchanges*, and that will presumably become law are the following—

1. The issue of notes must be limited according to the principle of the Bank Charter Act. That is, notes issued beyond a fixed amount must be backed by gold. A modification of the 1844 Act is, however, recommended in order that the Bank may, in an acute emergency, temporarily issue notes beyond the legal limit.

2. No precise figure can at the moment be placed upon this fixed amount. Conditions approaching normal will not be reached for several years, and some influence is needed to settle the amount of fiduciary notes that can be kept in circulation without causing the central gold reserve to fall sufficiently to give rise to alarm. This gold reserve, which would be concentrated at the Bank of England, should be a minimum of £150,000,000. A too low figure for the fiduciary issue would mean that a too large revenue was held; a too high figure would tend to destroy the gold standard. No grounds must be given for apprehension about the stability of the gold standard.

3. Ultimately the present currency notes will be replaced by a Bank of England issue of low denominations. During the transition period, the uncovered note issue should be cautiously reduced; the currency notes should remain a Government issue until experience has shown what fixed amount should be put upon the fiduciary currency; they should then be retired and replaced by the Bank of England notes. Demands for new currency would then fall in the normal way upon the Banking Department of the Bank of England.

4. The separation of the Issue and Banking Departments of the Bank of England should be maintained, and the weekly return continue in its present form. The Act of 1844, which enjoined this, has worked well in practice; till the outbreak of the war in 1914 had been suspended only on very exceptional occasions, and then only in the early years of its working when experience in operating it was lacking.

The sum of the matter is this: the whole of the uncovered paper will ultimately be Bank of England notes (including pound and ten shilling notes); the fixed amount will have relation to the central, and sole, gold reserve of £150,000,000; excess of this

amount will take place only at rare times and under stringent conditions; a resumption of the internal circulation of gold is not contemplated, the public now being presumably inured to paper substitutes for coin.

FIDUCIARY ISSUE.—This is a term applied to the note issue of the Bank of England, which is authorised against the Government debt and securities, as distinguished from the note issue against gold.

FIEF.—Land which is held of a superior in fee (*q v*), or upon the condition of the performance of certain services, military or other.

FIERI FACIAS.—The name given to the writ which is issued after a judgment has been obtained (generally called a writ of *f. fa.*) commanding the sheriff to recover the amount of the judgment out of the goods and chattels of the judgment debtor, together with interest at the rate of 4 per cent., and to pay the same into court for the benefit of the judgment creditor. Under the authority thus given, the sheriff can enter the dwelling-place of the debtor and seize any goods that are his property. But he must not seize the goods of any other person, and he will be a trespasser if he enters the house of a third person and there are no goods in it which are the property of the debtor.

Under the writ, the sheriff, after seizure, may sell all the goods and chattels which he has taken with the exception of the wearing apparel and bedding of the judgment debtor or his family, and the tools and implements of his trade to the value of £5. He may also sell a lease or term of years, and assign the same under his seal of office to the purchaser. Growing corn and crops, which are raised by the industry of man, are liable to seizure, and by statute such choses in action (*q v.*) as bank-notes, cheques, bills of exchange, bonds, and other securities for money may be taken. But goods which are in the custody of the law, as by distress, are exempt.

There is a great distinction to be observed between distress and execution. Generally speaking, any goods on the premises may be seized in the former, whereas the goods of a judgment debtor may be seized anywhere, though, of course, they must be the property of the debtor.

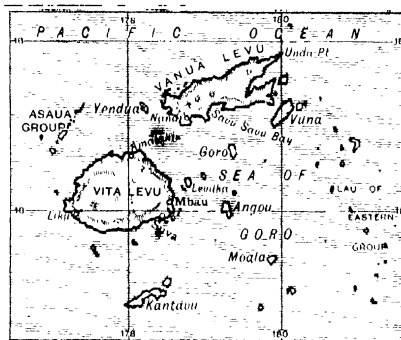
If goods are wrongfully seized, as being the property of a third person, the rightful owner may intervene and claim them. The usual course, however, in any case of doubt, is for the sheriff to claim the protection of the court. This is done by means of what is called "an interpleader summons" (*q v.*), which is served upon the claimant and the execution creditor. Both these parties and the sheriff attend before a master, and the latter almost invariably directs an issue, that is, orders that the claims of the execution creditor and the claimant shall be heard in an ordinary trial, the sheriff meantime retaining the goods, and being ready to give them up to the successful party. (The master is a kind of subordinate judge, who hears various interlocutory matters (*q v.*) in connection with actions at law. In the country the district registrar occupies a similar position to the master; in almost all cases there is a right of appeal to the judge from a decision of the master.) The master has power to decide the case summarily if the amount in dispute is less than £50, and there is no difficult question of law or fact. Unless the claimant is willing to give security to abide the event of the issue, the sheriff may be empowered

to sell so much of the goods as will realise the amount of the judgment debt.

In many cases the trial of an interpleader issue, where the amount of the judgment is not very considerable, is heard in some county court, as it is likely to come on at an earlier date than if it is tried in the High Court. (See **EXECUTION**.)

FIG.—The common fig is the fruit of the *Ficus carica*, a native of the East, but now grown in great quantities in the Mediterranean countries. The best variety comes from Smyrna, but there are also large imports from Portugal, Greece, and Italy. The green fig is regarded as a choice dessert fruit, but the dried product is more important commercially. The drying is done either in the sun or in specially made ovens. Coffee is sometimes adulterated by the addition of ground figs, and a spirit may be obtained by distillation from fermented figs.

FIJ.—The Fiji Islands lie in the Pacific within the tropics 2,000 miles east of Queensland. Longitude 180° and 15° south latitude run through the middle of the group. They consist of two large



islands, Viti Levu (14,250 square miles), Vanua Levu (2,600 square miles), and about 200 other islands with a total area of 17,435 square miles. Eighty of the islands are inhabited. Most of them are surrounded by barrier reefs, crossed by deep channels, and enclosing smooth roadsteads. The population is estimated at 165,000, of whom about 5,000 are Europeans.

The scenery in parts is very grand. Some of the highlands rise to a height of 4,000 ft. The windward sides of these highlands, being in the track of the south-east trade winds, are well watered and clothed with dense forests. In the lowlands the water from the mountain streams is used by the islanders for irrigation. Large numbers of cattle are kept, as well as some horses, sheep, and goats. Many thousands of acres are planted with sugar and coconuts, while rice and bananas are also grown. As there is not sufficient native labour to keep pace with the growth of the plantations, labourers have to be imported from other Pacific islands.

Sugar-making is an important industry, the six chief factories being capable of turning out 420 tons of sugar per day. Sugar and copra are the chief exports; hardware, drapery, and machinery the principal imports.

Goods from Fiji reach England via Australia, and there is regular communication with New Zealand and Australia, Tonga, Samoa, Honolulu, and Canada.

19.. . . B. No. . . .

n the High Court of Justice,

— Division.

Between

A. B.

PLAINTIFF,

and

C.D.

DEFENDANT.

GEORGE THE FIFTH, by the grace of God of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, King, Defender of the Faith,

To the Sheriff of — greeting :

We command you that of the goods and chattels of C. D. in your bailiwick you cause to be made the sum of £ — and also interest thereon at the rate of £ — per centum per annum from the — day of —,* which said sum of money and interest were lately before us in our High Court of Justice in a certain action (*or* certain actions, *as the case may be*) wherein A. B. is plaintiff and C. D. defendant (*or* in a certain matter there depending intitled " In the matter of E. F." *as the case may be*) by a judgment (*or* order, *as the case may be*) of our said court, bearing date the — day of —, adjudged (*or* ordered, *as the case may be*) to be paid by the said C. D. to A. B., together with certain costs in the said judgment (*or* order, *as the case may be*) mentioned, and which costs have been taxed and allowed by one of the taxing officers of our said court at the sum of £ — as appears by the certificate of the said taxing officer, dated the — day of —. And that of the goods and chattels of the said C. D. in your bailiwick you further cause to be made the said sum of £ — (costs) together with interest thereon at the rate of £4 per centum per annum from the — of —* and that you have that money and interest before us in our said court immediately after the execution hereof to be paid to the said A. B. in pursuance of the said judgment (*or* order, *as the case may be*). And in what manner you shall have executed this our writ make appear to us in our said court immediately after the execution thereof. And have there then this writ.

Witness — Lord High Chancellor of Great Britain, the — day of — in the year of Our Lord One thousand nine hundred and —.

* Day of the judgment or order, or day on which money directed to be paid, or day from which interest is directed by the order to run, as the case may be.

INDORSEMENT

Levy £ —— and £ —— for costs of execution, etc., and also interest on £ —— at £4 per centum per annum from the —— day of ——, until payment ; besides sheriff's poundage, officers' fees, costs of levying, and all other legal incidental expenses.

This writ was issued by G. H. of —— agent for K. L. solicitor for the plaintiff A. B. who resides at ——.

The defendant C. D. is a —— and resides at —— in your bailwick.

The capital, *Suva*, is on the south coast of the largest island. *Levuka*, on the small island of Ovalau, is the only other place of any importance.

The islands, which were ceded by the chiefs in 1874, are administered by a governor appointed by the Crown, assisted by an executive and a legislative council. Local government is administered by the native chiefs.

The regular mail service is via San Francisco or Vancouver—once in three weeks by the former and once a month by the latter. Suva is situated 11,000 miles from London, and the time of transit is thirty days.

FILBERTS.—(See HAZEL NUTS)

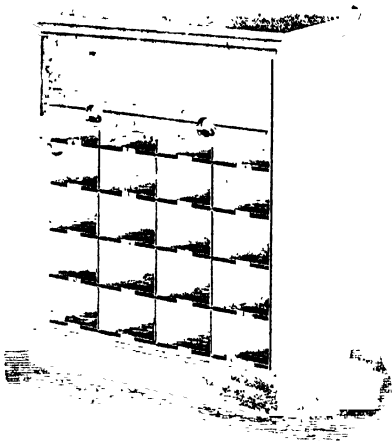
FILE.—A wire or some contrivance in or upon which papers are arranged in order for facility of reference

FILING PETITION.—(See RECEIVING ORDER)

FILING SYSTEMS.—Perhaps in no section of office equipment—if we except the typewriter—has so much progress been made during the last few years as in that of filing letters, documents,

and has fallen into decay with increase of trade and the facilities of communication.

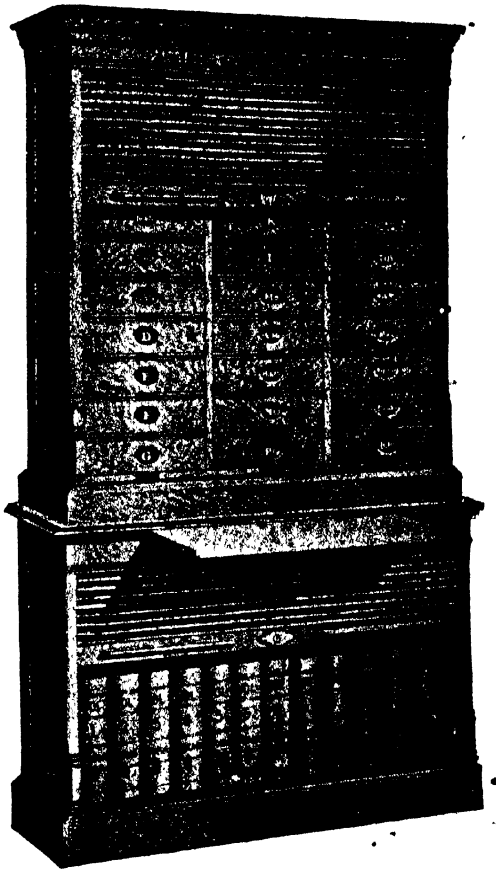
This was followed by the Pigeon Hole system of storing letters, perhaps the first serious attempt to keep letters received in something like order. Under this system a box or cabinet was used, which was divided into square compartments, lettered A, B, C, etc. In these compartments the letters were placed according to their respective initials. This idea was improved upon later by pocketing the various letters and keeping together



"Pigeon Hole" Cabinet.

catalogues, etc. The expansion of trade, the increase of output, and the growth of both imports and exports have naturally brought into almost every department of commerce an ever-increasing number of letters and other commercial papers. The old system of letter filing has, therefore, become quite obsolete, and no progressive modern business could efficiently deal with its inward correspondence on the old system. A short survey of a few of the methods of filing will be instructive, and will show how the present system has evolved from a very humble beginning.

The first system of keeping letters we will deal with is one within the memory of many readers, and consisted of a spike or wire which stood upright from a circular wooden base. This is now rarely found except in household use, where it is handy for the storing of tradesmen's bills for a short time. It would be useless to dwell on the disadvantages of such a system—if it may be dignified by such a name. At the present day it would be totally impracticable. When letters received were few, however, it served its purpose,



Filing Cabinet.

all the letters from one person either with a rubber band or a piece of tape. The docketing consisted of a recording on the back of each letter the date, the name of the correspondent, and the nature of the contents; sometimes the date of reply was also noted, e.g.—

21st April, 1920
JAMES SMITH & Co.,
Claim for damaged goods
Answered Apl. 22/20.

Here we have the idea of the first individual file. It was not a quick way of filing correspondence

nor did it admit of rapid reference, while the accumulation of dust and dirt was considerable. Still, it was the beginning of an idea which has been worked out to something approaching perfection. As a system it is by no means obsolete, for the practice of keeping all documents and letters relating to a particular matter is still maintained by solicitors and other professional men.

We have now to consider the introduction of a filing system which, if not the most modern, is still in use in a large proportion of commercial houses in this country. The introduction of letter filing cabinets like the Shannon and the Amberg files marked the period when a distinct advance was made on old methods to keep correspondence in orderliness and sequence, free from dust, and with ready facilities of reference. These files consist of a cabinet of drawers labelled with the various letters of the alphabet, into which the inward letters are placed according to their initials. In cabinets intended to accommodate a large number of letters, the drawers or sections are sub-divided, e.g., Sa to Si, So to Sy, etc. The inside of these drawers is further sub-divided by sheets of stout Manila paper, lettered on the edges so that the letters may be placed in their respective sections, and afford rapid reference. For instance, the dividing sheets inside the letter B would be lettered somewhat as follows: Ba, Be, Bi, Bo, Bu, By. Many of these drawer cabinets are made so that the letters are filed securely on metal uprights, which stand from the base board of the drawer. A movable metal arch admits of the letters being placed on the file in their proper sections or taken off. In filing letters, the most recent letter may be placed on the top of the letters received from an individual or at the bottom in its natural sequence of date order.

When a drawer becomes full, the letters are removed and placed in the same order in a binding case. This is marked on the back with the initial of the drawer and the period covered by the correspondence, thus—

LETTERS

B.

1920.

Jan. 1 to

Mar. 31.

Every time a transfer is made the fact is recorded on a slip, which is generally pasted on the base board of the drawer, and indicates the period covered by the letters removed. The transferred letters may, of course, be tied up in bundles and stored away, but as binding cases are inexpensive and admit of much quicker reference, the practice is not recommended.

Additional drawers are generally provided in these cabinets, which may be used for containing correspondence from branch offices, travellers or customers, from whom a regular correspondence is received. Extra compartments are also found in some of the larger sized compartments for the filing of catalogues and documents, which are not of sufficient importance to be placed in the safe or the strong room. Catalogues and documents, however, are so numerous in a large business house, that the best way of filing these to ensure ready reference is by means of a card index. On the card may be recorded a brief note of the contents of the document and its number and location, and

in the case of catalogues several cards are often useful. On one card would be indicated the number of the catalogue, the name of the firm, and the goods they manufacture, which would, of course, take its place in the card index drawer alphabetically. The goods themselves might be mentioned on various cards indexed under the headings of, say, Iron Tubes, Wrought Iron Pipes, etc., with a reference to the makers and their catalogue number on the file.

The sections and drawers already described generally form the upper portion of the cabinet, a cupboard occupying the lower portion. In this cupboard it is convenient to place the binding cases containing the letters from the drawers above, which cases are, in their turn, removed to the store-room, when space is required to accommodate binding cases containing letters of more recent date.

The last system of filing letters to be mentioned is the Vertical Filing System. This is undoubtedly the best and most up-to-date method in existence of dealing with correspondence, and deserves more than a passing reference. It is, therefore, dealt with in a separate article.

FILLER.—(See FOREIGN MONIES—AUSTRIA AND HUNGARY.)

FINANCE.—The general name of the science which deals with and regulates money matters. At one time it was a word mostly used in connection with the management of the revenues of the State. By degrees, however, it has acquired a wider signification, and it is now applied most frequently in commercial affairs to the raising of money by subscription or otherwise, and in the employment of it in loans for the carrying out of public and commercial undertakings.

FINANCE BILLS.—These are foreign bills of exchange which do not represent payment for goods or services or interest, but which are a kind of accommodation bill issued by bankers and used to steady the foreign exchanges and to provide means of remittance without recourse being had to the cumbersome method of transporting coin or bullion in payment of indebtedness abroad. Finance bills not arising out of movements of produce already on foot, but drawn in anticipation of those to come, find their justification in the fact that they avert the necessity for shipping gold and yet prevent the rate of exchange from falling very low at one time and rising very high at another. Every finance bill issued increases the supply of bills, and so helps to cheapen the exchange. (See FOREIGN EXCHANGES, ETC.)

FINANCE DEPARTMENT.—(See COUNTING HOUSE ORGANISATION.)

FINANCIAL RETURNS.—The preparation of regular periodical returns showing the resources of businesses is of the utmost importance to those responsible for their management. In all well-conducted businesses owned by joint stock companies the practice is to prepare a monthly statement of Ways and Means for presentation to the board of directors, or a section of it styled a finance committee, and responsible to the controlling board. This return exhibits the immediate resources of the concern, as regards both its capital and its revenue accounts, setting out at the same time the immediate payments to be made under the head of capital or revenue, and contingent liabilities in the shape of bills to be paid in each of the next ensuing three months or perhaps more, with any items of

debenture interest or dividends which it is customary to pay on a given date in the immediate future. As against the bills payable, the statement also provides for bills maturing to the credit of the business for a like period. The majority do not provide for a separate statement of financial resources and liabilities, distinguishing capital from revenue. A great proportion are, however, gradually realising the advisability of keeping separate cash accounts with their bankers, which will exhibit at any given moment the precise amounts of cash available for the purpose of extending the business or for meeting its normal requirements. This has been rendered necessary owing to the vast number of instances where prosperous companies have unconsciously absorbed great sums of money earned from their revenue accounts for the purpose of paying for extensions to buildings, additions to plant, and so forth, this procedure resulting in a difficulty to meet the required sums for paying dividends. Unless some steps have been taken from the very beginning of the company's career, when a precise line of demarcation can be drawn between cash items of income and expenditure, for capital and revenue accounts, respectively, subsequent transactions being based upon this principle throughout the remainder of its career, it merely becomes necessary to set apart an account with the bankers which shall receive all moneys paid in on account of share capital or debentures, loans, and so forth. Out of this account will be paid the cost of acquiring the business and any subsequent payments which could be rightly regarded as additions to the buildings, plant, machinery, or the acquisition of leases representing a number of years' tenure. This is precisely the same principle followed in connection with the accounts of companies which are required by law to keep their accounts on the "double account system," but it does not follow, by employing this method of dividing capital and revenue cash, that the accounts would be drawn up on that principle. It is merely a device adopted for the better information of the management, providing them with financial statements which will display monetary resources available for the two cardinal purposes of commerce and industry. The following is a statement of "Ways and Means," which represents the form usually employed for presentation to boards of directors, usually once a month—

Statement of "Ways and Means" made up to balancing of books on April 30th, 19... submitted to Board on May 10th, 19...

RESOURCES.						
	£	s.	d.	£	s.	d.
Cash Balances :						
On Deposit A/c...	5,000	0	0			
„ Capital „ ..	1,298	4	2			
„ Revenue „ ..	979	18	7			
				7,278		9
Trade Debtors ..				4,908	19	8
Bills Payable,						
maturing in May..	294	15	0			
„ „ June	456	17	2			
„ „ July	129	2	0			
				880	14	2
				£13,067	16	7

COMMITMENTS.

Creditors on Capital			
Account, due ..	1,790	18	4
Creditors on Revenue			
Account, due ..	1,343	17	10
Four weeks' Wages,			
month of May, say	790	0	0
Petty Cash, month of			
May, say	150	0	0
Salaries and Ex-			
penses, London			
establishment,			
month of May ..	360	0	0
			4,434, 16 2
Bills Payable:			
maturing in May			
(Capital Account)	600	0	0
maturing in July			
(Capital Account)	500	0	0
			1,100 0 0
Contingent Liabilities			
on Capital Account,			
Sundry Building			
Contracts expiring			
before August ..			2,000 0 0
Debenture Interest			
due 1st July, 19..			1,500 0 0
			£9,034 16 2

As an alternative, some returns are made up, keeping items for capital and revenue in distinct accounts, the amount shown on deposit at the bank or reserve liquid assets, in the shape of invested funds, in a third account; these being available for replenishments as required from time to time by either capital or revenue. Calls due upon shares or debentures within the period covered would be specified in the return under capital. Trade debtors would be accompanied by a supplemental report or return showing the number of debtors whose accounts are overdue or any remarks as to possible doubtful or bad debts.

The balances shown would be accompanied by the usual reconciliation statements showing the agreement between the balance in the firm's cash books with those of the figures in the pass books produced at the meeting, though in some instances the board of directors may require the bank manager to give a certificate detailing the amounts standing to the credit of the company against the various accounts, the pass books being produced nevertheless.

In wealthy concerns, some reliable methods of recording the state of the various investments made by the directors should be drawn up, with a view to showing the advisability of changing any stocks held, assuming a given scheme has been adopted to employ the surplus funds of the business by investing in home railways, and that the following stocks have been selected. A statement giving the figures as shown would provide sufficient guidance to those responsible.

In addition to the above, some supplemental figures as to the half year's comparative returns of the above stock will also be useful.

	Prices at last meeting.	Present.
Central London	73½	68
Gt. Central '94 Preferred	74	60
Gt. Northern Preferred ..	94½	95

	Prices at last meeting.	Present.
Gt. Western	135½	123
London and Brighton "A" ..	112½	99½
Metropolitan Consols ..	54½	44½
Metropolitan District ..	32½	25½
Midland Deferred	78½	72½
North-East Consols ..	138½	127
South-Eastern "A" ..	59½	49

	Present Half Year. Div. Reserves and bal. forward.	Same Half Year of last Year. Div. Reserves and bal. forward.
	£	£
Brighton	3½ 28,487	3 25,469
Central London ..	3 30,655	3 40,000
Gt. Cen. 1889 Pref. 4	35,000	nil 16,600
Great Northern ..	3 146,927	3 99,964
Great Western ..	4½ 120,400	4 96,902
Metropolitan ..	2 9,104	1½ 16,044
Met. Dis. Pref. ..	4½ 24,200	3 18,527
Midland Defd. ..	3½ 161,879	2½ 126,123
North-Eastern ..	5½ 156,092	5 105,476
South-Eastern ..	1½ 21,457	1 20,420

(For returns dealing with production, trading sales, and expenses, see STATISTICAL BOOKS; DIAGRAMS AND CHARTS)

FINANCIER.—A person versed in finance, whose business is mainly connected with the raising or the supplying of money for public and commercial undertakings.

FINANCING OF SHIPMENTS.—(See SHIPMENTS, FINANCING OF).

FINDING.—There is an idea very prevalent to the effect that a person who finds an article is entitled to keep it. This is only true to this extent—the finder is entitled to retain it as against every person *except the true owner*. Thus if A loses an article and B finds it, A is the only person who can demand restitution from B and if A never claims it, B has a right to it as against the whole world. And if, by any chance, the article goes out of B's possession, otherwise than by being restored to A, B is entitled to reclaim it on his own behalf. This rule of law applies to all public places to which there is free access, and it seems that it is true as to the public part of a shop. But if an article is picked up in an inn, the innkeeper has a special property in it and may demand it from the finder. So also, as regards private property. Articles found thereon are, *prima facie*, the property of the landowner, except the precious metals, and these belong to the Crown. (See TREASURE TROVE.)

If property is simply mislaid a "finder" may be in a difficult position if he refuses to restore the same upon demand. In any case an action in detinue (*q.v.*) will lie; but if it can be clearly shown that the "finder" at the time when he got the property into his possession intended to convert it to his own use, he is guilty of larceny (*q.v.*). If, on the contrary, the first intention was to restore the property and the idea of conversion was formed later, there is no larceny. This may appear to be a subtle distinction, and it requires a good deal of argument to establish the legal position just stated.

FINE PAPER.—This is the name given to bills which are drawn upon banks or firms which possess a first-class reputation.

FINLAND.—This is one of the new independent

states of Europe, a republic, which arose out of the Great War. It is situated on the gulfs of Finland and Bothnia, and its exact position is seen from an examination of the map of Europe. At one time it formed a part of the Kingdom of Sweden, but it was annexed by Russia in 1809. As a new state it dates from 1918.

The area of Finland is rather less than 145,000 square miles, and the population of the country, as to which there are at present no very reliable statistics, is between 3,000,000 and 3,500,000, the vast majority of whom are Finns, pure and simple, although the Swedes number something like 500,000.

It is not possible to speculate with any degree of certainty as to the future of this country. Its northerly latitude is such that agriculture can only flourish to a limited extent. Wheat does not grow, and the main crops are rye, barley, oats, and potatoes. There is some export trade in dairy produce. The immense forests, however, provide any amount of timber, and not only is there a large export trade in this material, but the timber is utilised for paper making. Railways are being pushed forward, and in 1919 a railroad connection was established with Sweden.

The capital is *Helsingfors*, which is quite an up-to-date city, with a flourishing university, and has a population of 150,000.

Other important towns are *Abo*, *Tammerfors*, and *Viborg*, each of which has a population of about 50,000.

(See also RUSSIA.)

FIRECLAY.—Clay consisting principally of silica and alumina, and valuable for its fire-resisting properties. It is usually found below seams of coal, and is used in the manufacture of crucibles, retorts, firebricks, and drain pipes, and also for lining ovens. It is, in addition, much employed in metallurgical operations. The principal deposits in Great Britain are at Stourbridge (in Worcestershire), at Newcastle-on-Tyne, and at Glasgow. The other countries from which fireclay is obtained are Belgium, Germany, France, Sweden, and the United States.

FIRE INQUEST.—(See INQUEST.)

FIRE INSURANCE.—This is one of the forms of insurance of indemnity; in fact, it is, perhaps, the principal, as it is certainly the oldest. In so far as it is a species of guarantee against loss pure and simple, the undertaking of the insurer towards the insured being the reimbursement of any pecuniary loss which may accrue, it is to be very carefully distinguished from Life Insurance and Marine Insurance, to which special considerations apply. It would be permissible, and, perhaps, convenient in some respects, to treat this matter fully under the present heading, but as this is, as already stated, one of the class of Indemnity Insurances, it has been thought advisable to include it under that heading. Reference must, therefore, be made to the articles headed INDEMNITY INSURANCE and INSURABLE INTEREST.

FIRE, KEEPING SAFE FROM.—A person on whose premises a fire started was, at common law, responsible for all damage that might occur, even though the fire was not due to any negligence on his part. If, however, he could trace the fire to the unauthorised act of a stranger, he escaped liability. By the Metropolitan Building Act, 1774 (which applies to the whole country, and not only to London), the owner of premises on which a fire accidentally begins is freed from responsibility; but it appears that the owner if he lights a fire

on his premises, must keep it in at his peril, and will be answerable if it spreads and does damage to another person. There is an exception to this liability if the fire is kindled in pursuance of statutory powers. Thus, if a railway company works its line properly, taking all reasonable precautions, and sparks escape and do damage, the company is not liable. It is provided, however, by the Railway Fires Act, 1905, that the fact that a locomotive is being worked under such statutory powers is not to affect liability for damage to agricultural land or crops up to £100.

Provisions have been made from time to time by the legislature with a view to diminishing the number of fires, the law varying with the locality.

In urban districts the subject is dealt with by the Town Police Clauses Act, 1847, which provides that every person who wilfully sets fire to a chimney within the district is liable to a summary penalty of £5, in addition to any liability to indictment for arson. If any chimney within the district accidentally catches fire, the Act renders the person occupying or using the premises liable to a penalty not exceeding 10s.; but the forfeiture is not to be incurred if such person proves that the fire was in no wise due to the omission, neglect, or carelessness of himself or his servant.

In rural districts these provisions only apply if they have been put in force by an order of the Local Government Board.

These provisions apply with increased stringency in the metropolis, a 20s. fine being imposed for allowing chimneys to be on fire. The London Building Acts, 1894 to 1908, also contain various provisions as to fire, the most important being Section 7 of the Act of 1905, to the effect that every building having the floor of any storey at a greater height than 50 ft. above the adjacent footway, and every building occupied, constructed, adopted, or used for the occupation or employment therein of more than twenty persons, must be provided, in accordance with plans approved by the county council, with all reasonable means of escape from fire. It is for the purpose of seeing that proper precautions are taken against fire that notices are required to be served on the District Surveyor. The Act also empowers the council to serve notice on owners of buildings of these classes existing at the date of the Act requiring them to provide proper and sufficient means of escape from fire; and the owner must, subject to a power of appeal, comply with the terms of the notice.

FIRKIN.—An old measure of capacity, the fourth part of a barrel, equivalent to 9 imperial gallons.

FIRM.—The collective name of a number of persons who carry on a partnership business. The number of persons must not exceed twenty in any case, and if the business is a banking one, ten, unless registered under the Companies Acts, 1908 to 1917. In legal proceedings the firm name may always be used instead of the individual name of the partners, even when the business is carried on by one person in some name or under some style which is not his own. But no order of adjudication in bankruptcy is made against a firm in the firm name, but against each partner individually.

In Scotland, a firm is a legal person distinct from the partners. (See Section 4 of the Partnership Act, 1890.)

FIRM NAME.—(See **FIRM**.)

FIRM OFFER.—A definite offer, as where a

person states that he is prepared to purchase a certain property at a specified price.

FIRS.—Cone-bearing trees of various species. The Norway spruce fir is the most widely distributed. It is found from the Arctic circle to the Alps, where it grows at a great altitude. Its leaves, like those of the other species, are evergreen, and the tree itself is lofty and hardy. In addition to its timber (known commercially as "white deal," and used for masts and for numerous other purposes), the spruce fir yields resin, tar, turpentine, lamp-black, and Burgundy pitch. Yellow deal is obtained from the Scotch fir, from which tar is also distilled. The California pine is another variety noted for its timber, and the Canadian fir yields "Canada balsam," and is also the source of spruce beer.

FIRST-CLASS PAPER.—In the money market, a phrase given to bills, drafts, promissory notes, and similar documents, which bear the names of well-known houses or financiers as acceptors or indorsers. Consols, exchequer bills and bonds, and Treasury bills and bonds, being guaranteed by the Government, are included under this head.

FIRST HAND.—A term which is applied to all goods that are obtained direct from the maker, importer, or wholesale dealer.

FIRST OF EXCHANGE.—(See **FOREIGN BILL**.)

FIRST OFFENDERS.—The old rigour of the criminal law has been gradually relaxed, and a great forward step was taken by the Probation of First Offenders Act, 1887, which provided that where a person was convicted for a first time of certain offences, such as larceny, false pretences, or any other offence punishable with not more than two years' imprisonment, the court of summary jurisdiction before whom the offender was brought might, instead of inflicting punishment, put him upon probation for a certain period, subject to any conditions it cared to impose. The great idea of this Act was to avoid the chance of the criminal taint. Of course, any failure on the part of the probationer to fulfil the conditions imposed upon him renders him liable to arrest on a warrant issued for that purpose.

The Act of 1887, which was somewhat enlarged by the Youthful Offenders Act, 1901, was repealed and its main provisions re-enacted and expanded by the Probation of Offenders Act, 1907, under which very wide powers are now conferred for dealing with matters of a criminal nature when the person charged is not one of the recognised criminal classes.

FITTAGE.—A term used in certain trades for a commission or brokerage.

FITTER.—In the coal trade a fitter is the manager or salesman of coal for a colliery—not necessarily at the mine—who arranges sales and the loading of boats with coal.

FIXED ASSETS.—The assets of a business which are essential to carrying on the business, but which are not those which come into the everyday operations in the course of its trading. In an ordinary business these will comprise land, buildings, machinery, plant, fixtures and fittings, etc.; but those assets which may be fixed in one business may be floating assets in another business, e.g., buildings would be the floating assets of a dealer in property, and machinery in the case of a machinery merchant. They may be further divided into those which are permanent and those which are wasting, the former including those which are of practically permanent value, and the latter those which are

used in the case of manufacturing, etc., and on which, although they may be maintained through revenue, there is an avoidable wastage. (See ASSETS.)

FIXED CAPITAL.—That section of the capital which is represented by assets of permanent value which are held continuously, and are used for the purpose of earning profit. (See FIXED ASSETS.)

FIXED CHARGE.—The debentures or the debenture stock of a joint stock company are secured upon the property of the company, and this is accomplished either by a fixed charge, or by a floating charge. In the case of a fixed charge, the property is generally vested, by a trust deed, in trustees for the debenture holders or the debenture stockholders, and then no other person can obtain a prior charge over the property. (See DEBENTURES.)

FIXED DEPOSIT.—This is a deposit made with a bank, for which a receipt is given, and the amount of which is repayable upon or at a certain fixed date. The interest allowed upon such a deposit is invariably higher than that upon an ordinary deposit repayable on demand.

FIXTURES.—In a general way, fixtures may be defined as articles of a personal nature which have become affixed to land, and which are in a legal sense, *prima facie* changed from personalty to realty. The maxim of law upon which this principle is founded is this—whatever is placed on the soil becomes part of the soil, its Latin form being *quidquid plantatur in solo solo cedit*.

In feudal times the maxim of law was applied very literally. Real property alone was considered to be of any importance, personalty was altogether secondary; and if the latter could be exploited for the benefit of the former, so much the better. The result was that when anything became affixed to the soil or attached to it in any form, the owner of the chattel was presumed to have given up his property in the same for the advantage of the landowner, and the landowner became the owner of the fixture, as it was called. So long as this principle was acted upon with full strictness, little encouragement was given to a tenant to improve his holding by adding to it in any shape or form; but gradually, in the interest of trade more especially, the strict rule has been relaxed in modern times, and considerable limitations placed upon the old definition of a fixture.

There are various classes of people between whom difficulties may arise as to the ownership of fixtures. The chief of these, and the only ones that need consideration in the present article, are: (1) The devisee of an estate and the personal representative or representatives of the deceased; and (2) a landlord and his tenant. Many years ago a test was set up by means of which the ownership of fixtures in the former case could be decided, viz., Did the person who annexed the chattel to the land do so with the intention of incorporating the same with the property? If such was the intention when the chattel was annexed to the realty, or even at a later date, the chattel is a part of the realty and passes to the devisee. If, on the other hand, there was no such intention, the chattel passes to the personal representatives of the deceased. It is impossible to frame any general rules to meet all instances, and the circumstances of each case must be considered before an inference can be drawn as to the intention with which the annexation was made.

This question was much discussed in the case of

Leigh v. Taylor, 1902, App. Cas. 157, which was before the courts in various forms. The head-note of the case is as follows: "Chattels (such as tapestries) affixed by a tenant for life to the walls of a house for the purpose of ornament and the better enjoyment of them as chattels are, as against the remainderman, removable by the tenant for life, or by his executor after his death, even though they have been fixed as firmly as they would have been if it had been intended to annex them permanently to the freehold. The purpose of the annexation is to be inferred from the circumstances of each case." These tapestries, which had been purchased by the tenant for life of freehold estates, were affixed by such tenant to the walls of the drawing-room in the mansion house. Strips of wood were placed over the paper which covered the walls, and were fastened by nails to the walls. Canvas was then stretched over the strips of wood and nailed to them, and the tapestries were then stretched over the canvas and fastened by tacks to it and the pieces of wood. Mouldings, resting on the surface of the wall and fastened to it, were placed round each piece of tapestry. Portions of the walls which were not covered by the tapestries, were covered with canvas, which was coloured or painted so as to harmonise with the tapestries. On these facts it was held that the tapestries had been thus affixed for the purpose of ornamentation and the better enjoyment of them as chattels, and that on the death of the tenant for life they did not pass with the freehold to the remainderman, but formed part of the personal estate of the tenant for life, and could be removed by the executor; and that the executor ought to pay the expense of making good the damage done in removing the tapestries, but that he was not bound to pay the cost of redecorating the room.

It is useful to compare this case with the more recent decision in *In re Whaley*, 1908, 1 Ch. 615. The following is the head-note: The testator in his lifetime bought a house in which the former owner had fitted and decorated the dining-room as a perfect specimen of an Elizabethan room. As part of the scheme of decoration certain pieces of tapestry had been fixed to the walls by being nailed upon wooden frames, which were kept in their place by the mouldings of an oak dado and frieze above it, which were fastened to the wall by screws. A picture of Queen Elizabeth, attributed to Zuccheri, painted on wood, was similarly fixed in its place over the fireplace by the mouldings of an overmantel, which had apparently been constructed for the picture. The picture and tapestries were bought by the testator as part of the house and included in its price. The testator by his will gave his wife all the furniture and chattels in the house, and devised the house to trustees upon trust to permit her to reside there during widowhood, and then upon trusts under which his grandson had become absolutely entitled. It was held, in the circumstances of the case, that the picture and tapestry, having been fixed as part of a general scheme of decoration and not for their better enjoyment as chattels, passed under the devise of the house and not under the gift of chattels, i.e., they were held to be fixtures.

As between landlord and tenant, the question of fixtures is of a much more extensive and complicated character. The chattels annexed to or placed upon the realty may have been so annexed or placed by either the landlord or the tenant. (If

they are there through the action of a third party, it is presumed that such third party was making a gift of the same to the owner of the freehold.)

Landlord's fixtures are those chattels which have been placed upon the land by the landlord himself, either at the commencement or during the continuation of the tenancy, as well as those which have been placed there by the tenant, either under an agreement or otherwise, and which the tenant is not permitted to take away. Tenant's fixtures are practically all those chattels brought upon the land which are not included in the landlord's fixtures. They include the chattels which have been brought upon the land, and any movable buildings, machinery, etc., which have been erected for the purposes of trade, ornament, domestic use, agricultural purposes, etc., as well as anything which has been brought on the land or erected under a special agreement between the landlord and the tenant. The tenant's fixtures the tenant is entitled to remove and take away, within certain limitations, though the tendency nowadays is to favour the tenant's claim.

The general rule of law has been already stated, viz., that when anything is affixed to the soil it becomes the property of the freeholder. This is especially applicable in the case of landlord and tenant. If the tenant affixes anything during the tenancy, no removal can take place without the consent of the landlord. But in order that the rule may apply, there must be complete annexation—mere contact is insufficient, however weighty the chattel may be. A few examples may be given in order to illustrate this statement. A wooden barn supported by beams resting on the ground is not a fixture which passes to the landlord, nor does it make any difference if the supports of such a building are fixed in the ground. But where an engine was affixed by means of screws and bolts to a concrete bed in freehold land, for the purpose of driving a saw mill on the land, the engine was held to have ceased to be a chattel and to have become a part of the freehold. The annexation may likewise be constructive, for example, keys, locks, movable windows, and doors, and the duplicate parts of machines, which are in themselves fixtures. But the annexation may be shown to be incomplete, if it is clear that the mode of annexation is such that the chattel can be removed and taken away without any injury being done to the freehold, and if the circumstances are such as to lead to a presumption that the annexation was intended to be for a temporary purpose or for the sake of enjoyment. Otherwise a carpet or a picture would not be removable by a tenant.

It is only in recent times that a tenant has been permitted to remove fixtures set up by himself for the purpose of ornament or convenience. And at the present day, if any erection is in the nature of a permanent improvement of the premises and there is no possibility of removal without some substantial damage being done to the freehold on account of such removal, the former rule of law remains in all its fullness, and the landlord is the owner of that which has been annexed. Again, a few illustrations drawn from decisions which have been given in cases decided in the courts may not be without interest, as they are actual examples. Among articles set up for ornament or convenience which may be removed, are looking-glasses, tapestry hangings, window-blinds, cornices, ornamental chimney-pieces, cupboards, bookcases, or brackets

screwed to the walls, and gas-fittings. But it has been held that a verandah fixed to posts in the ground, greenhouses built in a garden, a boiler built in masonry for heating purposes, and a conservatory erected on a brick foundation and attached to a dwelling-house cannot be removed. A tenant who is not a gardener by trade cannot move a border of box planted during his tenancy without the permission of his landlord.

The rules of law as to the right of retention by the landlord of chattels brought on to and annexed to the freehold in the case of a tenant are subject to further exceptions when the question of trading arises. There then arises a new class of fixtures known as trade fixtures, which are obviously much wider than the ordinary tenant's fixtures. But, even then, the tenant has not the right to remove everything that has been set up. As in the case of a devisee and a remainderman or reversioner, the circumstances of the particular instance must be inquired into, and much will depend upon the permanency of the erection. And, even then, it will be found in practice that there must be considered the following three points: (a) Was the article of a chattel nature before it was put up? (b) Is it still of a chattel nature, although affixed to the freehold? and (c) Can it be easily removed without any injury being done to itself or to the premises? If these can be answered in the affirmative, the tenant will have a right to remove, if not, the chattel will go to the landlord. The following fixtures have been allowed to be removed by a tenant: A soap-boiler's vats, fire-engines at a colliery, salt-pans fixed over furnaces in a brick frame, nursery trees, greenhouses and hothouses belonging to a market gardener, a hydraulic press fixed in bricks and mortar, and a fixed steam-engine and boilers. The exception to the general rule of law in favour of trade fixtures has been thus judicially expressed: "An exception has long been established in favour of a tenant erecting fixtures for the purposes of trade, allowing him the privilege of removing them during the continuance of the term. When he brings any chattel to be used in his trade, and annexes it to the ground, it becomes a part of the freehold, but with a power as between himself and his landlord of bringing it back to the state of a chattel again by severing it from the soil."

The rights as to fixtures enjoyed by an agricultural tenant are much wider than the rights of an ordinary tenant. These are now set out in Section 21 of the Agricultural Holdings Act, 1908, which has replaced Section 34 of the Agricultural Holdings Act, 1883. The Section is as follows—

"(1) Any engine, machinery, fencing, or other fixture affixed to a holding by a tenant, and any building erected by him thereon for which he is not under this Act or otherwise entitled to compensation, and which is not so affixed or erected in pursuance of some obligation in that behalf, or instead of some fixture or building belonging to the landlord, shall be the property of and removable by the tenant before or within a reasonable time after the determination of the tenancy. Provided that—

"(a) Before the removal of any fixture or building, the tenant shall pay all rent owing to him, and shall perform or satisfy all other of his obligations to the landlord in respect to the holding;

"(b) In the removal of any fixture or building, the tenant shall not do any avoidable

damage to any other building or other part of the holding ;

" (c) Immediately after the removal of any fixture or building, the tenant shall make good all damage occasioned to any other building, or other part of the holding, by the removal ;

" (d) The tenant shall not remove any fixture or building without giving one month's previous notice in writing to the landlord of the intention of the tenant to remove it ;

" (e) At any time before the expiration of the notice of removal the landlord, by notice in writing given by him to the tenant, may elect to purchase any fixture or building comprised in the notice of removal ; and any fixture or building thus elected to be purchased shall be left by the tenant, and shall become the property of the landlord, who shall pay the tenant the fair value thereof to an incoming tenant of the holding ; and any difference as to the value shall be settled by arbitration.

" (2) The provisions of this Section shall apply to a fixture or building acquired since the thirty-first day of December, nineteen hundred, by a tenant in like manner as they apply to a fixture or building affixed or erected by a tenant, but shall not apply to any fixture or building affixed or erected before the first day of January, eighteen hundred and eighty-four "

Similar rights are given to allotment tenants by the Allotment Act, 1907, and the corresponding rights of market gardeners, first given by the Market Gardeners Compensation Act, 1895, are now contained in the Agricultural Holdings Act, 1908, which repeals and practically re-enacts the particular Sections of the Act of 1895

Where there exists the right on the part of the tenant to remove fixtures, the removal must take place before the termination of the tenancy, even though the term is put an end to by forfeiture and not by effluxion of time. Otherwise it is a presumption of law that the tenant has made a present of them to the landlord. And if the tenant holds over wrongfully after the termination of his tenancy he cannot then remove his so-called fixtures. This rule is construed with the utmost strictness. In one case it was held that it applied even though the fixtures remained on the premises by the parol consent of the landlord. Of course, if there was such a parol consent on the part of the landlord, the tenant might have a right of action for the value of the fixtures against the landlord if the latter subsequently refused permission to remove them ; but the permission would confer no right upon the tenant as against the mortgagees of the landlord, if the mortgagees were no parties to the permission and they refused to allow their removal.

As between an outgoing and an incoming tenant, there is generally an agreement entered into that the latter shall take over the fixtures of the former at a valuation. It is always desirable that if such an arrangement is made, the landlord should be made a party to it ; otherwise the landlord might set up a claim for the fixtures on the ground that the outgoing tenant had forfeited any right to them by not removing them, and then the incoming tenant would not be able to remove them at the end of his term.

On the sale of a freehold estate the fixtures pass from the vendor to the purchaser, unless there is

an express agreement to the contrary. And the same is the rule in the case of a mortgage. But, even then, an exception may arise in case of trade fixtures. Thus, in the case of *Lyon & Company v. London City and Midland Bank*, 1903, 2 K.B. 135, chairs were hired from the plaintiffs for use in a building by the owner and occupier of the same under an agreement for hire containing an option of purchase which was never exercised. The chairs were fastened to the floor of the building by means of screws, in accordance with the requirements of the local authority. It was held that the chairs did not cease to be chattels because they were screwed down to the floor, and that the property in them did not pass as against the plaintiffs to the mortgagee of the freehold under a mortgage of the building and the fixtures.

A contract for the sale of fixtures does not fall within Section 4 of the Statute of Frauds and, therefore, does not require to be evidenced by a memorandum in writing.

As to remedies in the case of fixtures : If the landlord refuses to allow their removal by the tenant, the latter has a right of action for detainee, and can claim the chattels or their value. If the tenant removes wrongfully, the landlord's action is for waste or for breach of covenant if any agreement has in fact been entered into with respect to the fixtures.

FJERDINGKAR.—(See FOREIGN WEIGHTS AND MEASURES—DENMARK)

FLAGSTONES.—A comprehensive name for various sandstones, limestones, etc., which break up easily into large, flat slabs. They generally contain argillaceous and calcareous matter. The Caithness flagstones are noted for their durability, and have been much used for paving not only in England, but also on the Continent. Other well-known quarries are at Thurso ; at Festiniog, in North Wales ; and in Yorkshire, the last-named being noted for the hardness of the slabs ; while evenness of grain is the characteristic of the Welsh product.

FLANNEL.—A soft, woollen fabric of open texture, of great value for underclothing. The best is obtained from the wool of the Welsh mountain sheep, and its superiority is said to be due to the fact that it is still largely produced by hand labour. Newtown, Welshpool, and Llangollen are the centres of the Welsh industry. Bury and Rochdale in Lancashire, and Leeds and Halifax in Yorkshire, are the other important towns engaged in the manufacture of flannel. Flannel shirtings come chiefly from the Scotch town of Auchterarder, and fine dyed varieties are imported from France. The United States also produce large quantities of flannels.

FLASH POINT.—This indicates the temperature registered by the thermometer at which oil gives off explosive vapour. Thus, when oil is said to have a flash point of 80° or 100°, it is meant that if oil is heated to that degree it becomes inflammable by reason of the vapour which is then given off by it.

FLAT COST.—In costing (see COST ACCOUNTS ; COSTING), the cost of labour (i.e., the amount of productive wages paid) plus the cost of raw materials, with all charges thereon, such as carriage inwards, freight, dock dues, etc., is called the flat cost.

FLATS.—The distinction between a flat and an ordinary house is a physical fact, not one of definition in law. A flat is a separate structural part of

a larger building which is composed of a number of such separate parts or flats; and usually they are built one above another, instead of standing side by side as ordinary houses or buildings do. Both kinds of buildings are tenements, freehold or leasehold, which may be owned, let, occupied, and rated in the same way; but the peculiar physical character of flats gives rise to certain special legal difficulties. Therefore particular decisions and rules of law are to be found about flats, and different kinds of agreements for sale or letting, or conveyances on sale, have to be made. Perhaps it may not be more important in taking or letting a flat than it is in taking or letting an ordinary house, to make a contract in writing containing suitable clauses; but at any rate the same kind of contract is not proper for both.

There are two classes of flats. The one is where the whole building is in one ownership, usually a company, and the landlord lets out the various flats to tenants. The other class is where each separate flat is under different ownership, but this, though a common system in Scotland, is not usual in England. The owner of the whole building who lets the flats to various tenants, retains in his own possession and control all such parts of the building as are necessary for the general use of the tenants, and not in the exclusive occupation of any one of them. Such are the common roof and foundations, the courtyard and hall, the staircase, the lifts, and the water and drain pipes. As these are necessary for the tenants using their flats, there is an implied term in every tenant's agreement that the landlord will keep these common parts in a proper state of repair, and that there shall be a free right of passage through hall and staircase to the tenant's own flat. If the building has front or back grounds common to the building, as, for instance, gardens, the right to use them by the tenants may depend either on the rules of the estate, which would be enounced in the contracts, or on the particular agreements between the landlord and tenants.

Taking the case of a conveyance on sale of a flat where the ground is not conveyed, the freehold of the flat (if an upper storey) may be conveyed, but if the flat is destroyed it is generally held that the freehold estate is destroyed with it. What in this case might be the respective rights of the owner of the soil, and the other owners who wished to enter and re-construct their flats, might give rise to difficult questions, which need not be considered here. It is a matter which has naturally received more judicial consideration in Scotland. As in England the main questions as to flats arise out of the relations between landlord and tenant, we shall consider these mainly.

Agreements in Writing. Except for very short terms, such as a weekly letting, it is obvious that it is desirable to have an agreement in writing setting out special terms. But the law as to the necessity for writing in the case of leases, the same for flats as for any other houses. Suppose a flat is agreed to be let for three months, or any other term. As this is a contract relating to an interest in land, it must be in writing. (See under **STATUTE OF FRAUDS**.) Such a contract, however, would be good without writing if the tenant actually entered into occupation under the verbal agreement with the landlord. But nothing less than taking possession will do; not even payment of rent in advance (*Thursby v. Eccles*, 1901, 70 L.J. Q.B. 91,

which arose out of the letting of a furnished flat). If the agreement is for longer than three years, it must be by deed.

Implied Terms. Apart from the special agreement which may be made with varying terms, according to the nature of the flat, as to which the practical advice of professional men familiar with such subjects is usually desirable, the law will imply certain terms in the case of flats, that is, as if no other terms were made than just the agreement about rent. The courts would understand it to be made on certain conditions that are not expressed. Thus we said above that the landlord impliedly contracts with each tenant that he shall have the right to use whatever is not demised to him individually, but which is necessary for the enjoyment of the flat. But we must also add that the tenant has a right to have his flat supported by the storey below, which is not to be allowed to get so out of repair as to endanger the flat above. That is, a covenant or agreement may be implied on the part of the landlord that the tenant shall have the support necessary; and if the landlord wants to cover himself from the liability he must get the tenant of the under flat to agree to keep his flat in such sufficient repair as to be a support to the upper flat. But the law on this liability of the landlord is not so certain that it can be left safely without expressing it in the agreement, should there be any practical reason for insisting on the liability being made clear.

An implied covenant or agreement on the part of the tenant is to pay the rent during the whole term of the tenancy, even if the flat is destroyed, as by fire. To guard against this liability, it is necessary that the tenant should qualify his covenant or agreement. This precaution is more necessary in the case of flats than in separate houses, as a tenant is so much at the mercy of the other tenants.

Also in letting unfurnished flats, as in letting unfurnished ordinary houses, there is no implied covenant that the premises are fit for occupation. Nor is there such a covenant that the landlord will do any repairs. So that in regard to both these matters, the tenant must protect himself by obtaining an express covenant from the landlord to do what he considers desirable on taking the flat. This exemption of the landlord from any obligation to repair applies also to the approaches to the flat, which he retains in his own possession and control. But it must be remarked that accidents may occur, either to the tenants or to outside members of the public who come to the flats, which may be due to the landlord not keeping these approaches in proper condition. We shall consider this below.

It is implied, therefore, that a tenant takes an unfurnished flat with whatever defects it may have at the time; but as he also takes the building as it is constructed, so it is on the implied term that it shall not be altered to his disadvantage without his consent. While a tenant was away a landlord, without his consent, removed the staircase and made the access to the tenant's rooms by another less convenient for him. An injunction was granted to the tenant ordering the landlord to reinstate the staircase (*Alport v. The Securities Corporation*, 1895, 64 L.J. Ch. 491).

A tenant held a residential flat under an agreement in a common form binding the tenants to rules suitable only for residential purposes. The landlord began to convert a large part of the building into a club, but the tenant obtained an injunction to restrain him (*Hudson v. Cripps*, 1896,

1 Ch. 265). In another case a tenant was given damages when the landlord turned some of the flats into a hotel, as this was a departure from the scheme of residential flats (*Alexander v. Mansions Co., Ltd.*, 1900, 16 T.L.R. 431). There was a similar implied covenant, too, by the landlord where the tenants of the flats had agreed not to use them for any but residential purposes. The landlord was not entitled, though he had entered into no covenant prohibiting him, to let some flats in the building for Government offices (*Gedge v. Bartlett*, 1900, 17 T.L.R. 43). In some of these cases an injunction or damages have been given, and in others both. It depends on the view the court takes of the circumstances, and no general statement can be made.

Express Covenants or Agreements. As has been said, the express covenants vary so much, according to the particular character of the flats and the physical conditions, that the advice of a skilled person is required, at least by the tenant, who is usually the more inexperienced. But we may point out that in reference to the top flat and the basement, particular points arise. As to the roof, the question of repairs must be considered. The tenant will hardly intend to make external repairs to the roof. It must be clearly laid down whether the landlord or the tenant is to have possession of the roof and who is to do the repairs. Besides, it is the rule of law, which we shall refer to again below, that if injury is caused to third parties by the state of the premises, it is *prima facie* the tenant who is liable. The same reason makes care about defining the terms as to the basement flat specially necessary. It should be settled who is to be the occupier of the area and whose is the liability to repair it and the railings and gratings, etc., abutting on the streets. There has been no special decision as to accidents arising out of the ill-repair of these parts of flats; but the ordinary rule would probably be applied, and there should be no ambiguity in the terms.

Injunction or damages according to circumstances may be granted for breach of express as of implied agreements. A tenant has been granted an injunction where the passenger lift has been used in a way not consistent with the terms of letting. But in a case where the landlord agreed to appoint a resident porter to take charge of the block of buildings and be the servant of the tenants, the court would not grant an injunction to prevent the breach of agreement continuing or order him to appoint a porter. The tenant's remedy was to sue for damages.

Questions arise out of express covenants between the conveyer of the land and the person who intends to build flats, as to the class of buildings which may be built on the land. If the builder covenanted not to build more than one building on the land adapted and to be used as a private house, he cannot construct one large building of residential flats (*Rogers v. Hosegood*, 1900, 2 Ch. 388). But if the agreement or covenant is that only a fixed number of "houses" shall be built and no "house" be below a certain value, a building of the requisite value may be put on the land, though it is subdivided into flats of less value (*Kimber v. Adams*, 1900, 1 Ch. 472).

Responsibility for Accidents. The landlord is responsible for accidents which may happen either to members of the public or to tenants from his not keeping reasonably safe those parts of the building, e.g., the staircase, which he retains in his possession

and control, and which the tenants, and the public in their dealings with the tenants, naturally use (*Miller v. Hancock*, 1893, 2 Q.B. 177).

Thus the landlord was held responsible to tenants for damage to their property owing to an overflow of water from the gutters in the roof, over which the landlord retained possession and control. With due care the overflow might have been prevented; the landlord was liable for negligence (*Hargroves & Co. v. Hartop*, 1905, 1 K.B. 472). But the landlord is not responsible in such a case where there is no negligence on his part. In flats supplied with water from a cistern, which was not let to any one of the tenants, damage was caused to the tenants' goods by the bursting of a service pipe; but the jury found that the landlord was not guilty of negligence in keeping and repairing it; and the tenants could not recover their loss from him (*Andersén v. Oppenheimer*, 1880, 5 Q.B.D. 602). Nor would the landlord be responsible if he employed a competent plumber in time to prevent the injury, and the plumber's negligence had led to the overflow (*Blake v. Woolf*, 1898, 2 Q.B. 426).

It is hardly necessary to add that if damage is caused by the negligence of any of the tenants in using the common water supply or that under their exclusive control, they are liable under the ordinary law; and this includes also the negligence of their servants.

If the landlord has contracted with the tenant to do repairs on the premises in the tenant's occupation, he is not responsible for an accident to any other person who may be on the premises, even the tenant's wife, owing to the want of repairs (*Cavalier v. Pope*, 1906, A.C. 423).

The landlord will not escape responsibility for keeping the parts in his possession and control in proper repair by entrusting the duty of looking after them and doing repairs to any other person, say, a contractor or builder who, in fact, neglects it. Nor is the tenant bound to give notice to the landlord of want of repair.

But this duty towards the public does not extend to those parts of the building under his control to which the public are not naturally expected to go; for instance, a flat roof, which is used as a drying ground by the tenants. And as to the tenants themselves, who use such a roof not under the agreement of tenancy as necessary to the enjoyment of their flats, but by the mere permission or licence of the landlord, he is not responsible for accidents happening to them owing to its defective condition.

Lodger or Tenant. There may be cases in which the occupier of a flat might be able to claim, as against a distraint put in on the premises by a superior landlord, the protection of the Law of Distress Amendment Act, 1908. No comprehensive definition can be given of a lodger; and the relation of landlord and lodger is to be treated as one of fact. Take, as an instance, the following: A landlord, reserving a room in a house, lets the rest, but retains such control over it as is usually retained by masters of lodging-houses, yet he neither sleeps nor resides on the premises. The person to whom the rest is let acts as caretaker of the part reserved, has the right of exclusive occupation of the part unreserved, and has a separate access to it. In such an instance as this it has been found that the tenant is a lodger and enabled to claim the protection of the Act (*Ness v. Stephenson*, 1882, 9 Q.B.D.).

Questions of rating and the right to the franchise, which may arise out of the tenancy of flats, are outside the scope of this article.

FLATTING MILLS.—Flattening is the action or process of laying, pressing, or beating out flat, or of rolling metal into plates; and flattening mills are mills in which metal is rolled out by cylindrical pressure.

FLAVINE.—A yellow dye stuff, which, like most other dyes, has been superseded by the aniline colours. It is obtained from the bark of the quercitron, a species of American oak.

FLAX.—The valuable fibre obtained principally from the *Linum usitatissimum*. It is found in the stem of the plant, and has to be separated by various processes (e.g., retting, drying, and scutching) from the woody, gummy, and glutinous matters surrounding it. The flax is then ready for the linen factories. Brussels lace is made of the finest variety. Linseed oil is another important product of the flax plant, being obtained by pressure from the crushed seeds, which are afterwards made into oil-cake and linseed meal. Carron oil, useful in the treatment of burns, is prepared by mixing linseed oil with boiling water. The flax plant grows largely in Russia, Austria, Belgium, France, Saxony, and Italy; but foreign competition has led to the decline of flax cultivation in Great Britain. In Ireland, however, considerable crops are still raised, and Belfast is the headquarters of the British linen industry, which is in all other parts dependent upon the flax imported from Russia and other continental countries. New Zealand flax is quite a different fibre. It is obtained from the leaf of the *Phormium tenax*, and is used for cordage and in basket-making. The quantity of mucilaginous matter it contains renders it difficult of preparation for finer purposes.

FLOATERS.—This term is used to signify first-class bearer securities, e.g., Exchequer bonds, Treasury bills, etc., which bill brokers deposit with banks against money lent on call (q.v.). When the money which has been lent is called in by the lending banker, the broker is compelled to borrow from another bank, and thus his securities move, or, to use the common phrase, "float" about from one bank to another.

FLOATING ASSETS.—The assets which are dealt in in the ordinary course of trade, being those which are purchased and sold and used in the transactions consequent thereon. Thus, they include stock, book debts, bills receivable, cash at bank and in hand, and other assets which are continually altering their shape and value. These assets, except cash, are subject to valuation, and are depreciable or appreciable accordingly. (See also ASSETS.)

FLOATING CAPITAL.—That section of the capital which is represented by assets which are of a floating nature. An alternative term for this is circulating capital.

FLOATING CHARGE.—A charge made in the interest of debenture holders and debenture stockholders of a company, by which, contrary to a fixed charge (q.v.), the security is over all the stock, book debts, etc., of the company, but which permits the company to make use of its assets comprised in the charge in any way connected with its business. The charge does not become fixed, or, to use a common term, does not crystallise until the interest on the debentures ceases to be paid, or until the company is being wound up.

Particulars of every floating charge must be delivered to the registrar of companies for registration. A debenture containing merely a floating charge does not require to be entered on the company's register of mortgages (q.v.).

Where a company is being wound up, a floating charge created within three months of the commencement of the winding-up is generally invalid. (See DEBENTURES, WINDING-UP.)

FLOATING DEBT.—The floating debt of the country consists of Treasury bills (q.v.) and Exchequer bonds (q.v.). (See FUNDED DEBT.)

FLOATING MONEY.—The temporary surplus funds in the hands of bankers, for which no profitable employment can be found, owing to the money market being already fully supplied. This floating money finds its way to the bankers' accounts at the Bank of England, and goes to increase the item "Other Deposits" in the Bank Return (q.v.) until a suitable outlet offers itself. A glutted condition of this kind arises on the periodical payment of large Government and other dividends and during times when there is but little demand for money. A low market rate is the natural result.

FLOATING POLICY.—(See MARINE INSURANCE POLICY.)

FLOCKS.—Fluffy refuse of various sorts, including ends of feathers, wool, and cotton waste, etc. It is used as a cheap substitute for horsehair, feathers, down, etc., for filling mattresses and cushions. Under the statute regulating the sale of flocks, several prosecutions have been instituted with respect to the same.

FLOORCLOTH.—This term was originally limited to a special kind of floor covering made of thick canvas, coated with oil paint. Oilcloths of this sort are manufactured in Dundee and London. The name, however, now frequently includes certain sorts of carpets, matting, and especially linoleum (q.v.), in which, though canvas is the ground work, cork is the chief ingredient. Kirkcaldy, in Fifehire, is the headquarters of the linoleum industry. Another kind of floorcloth is known as cork carpet. This is a sort of improved linoleum, greater care being expended on its preparation. Kampulicon is a floorcloth made of ground cork and india-rubber. Its use is declining.

FLORIN.—The two shilling piece. The name is supposed to be derived from the Italian (*forino*, a florin), which got its name from the figure of the lily upon it (Latin, *flos*, *floris*, a flower). Another derivation is the city of Florence, where florins were first coined.

The florin first appeared in the English coinage in 1849. Its standard weight is 174.54545 grains troy, and its standard fineness is thirty-seven-fortieths fine silver and three-fortieths alloy. (See COINAGE.)

FLOTSAM.—The name applied to goods which are lost in a shipwreck and are found floating on the water. (See JETSAM.)

FLOUR.—The powdered grain of corn, especially of wheat. Great Britain imports enormous quantities mainly from the United States and Central Europe; but Canada is yearly becoming a more important source of supply, and there are considerable imports from Australia.

FLOWERS, ARTIFICIAL.—Flowers made of cambric, muslin, velvet, satin, etc., and employed for decorative purposes and in millinery. Cotton wool forms the foundation of the buds, green taffeta is generally used for the leaves, and the stalks are made of covered wire. French flowers

are noted for their beauty, and France manufactures more than all other countries collectively. But the making of flowers is also an important industry in England, Holland, and Belgium, the manufacture of wax flowers being practically an English monopoly. Memorial wreaths are usually made of enamelled iron.

FLUCTUATION.—A rise or fall in the prices of any goods or securities.

FLUOR SPAR.—A brittle, transparent, crystalline mineral, consisting of fluoride of calcium. It is usually found in veins with other ores. It is common in Derbyshire, and on this account is often called Derbyshire spar. The crystals are sometimes colourless, but there are many coloured varieties, including green, blue, violet, purple, and yellow. Fluor spar is a valuable flux in the reduction of metallic ores, but it is chiefly used for vases and other ornaments, the blue variety being most in demand for this purpose, while the colourless crystals are greatly valued for optical instruments. Hydrofluoric acid, which is much employed in etching on glass, is obtained by heating fluor spar with sulphuric acid. Another name for fluor spar is fluorsite.

FOD.—(See FOREIGN WEIGHTS AND MEASURES.—DENMARK.)

FOLDING MACHINES.—In business houses where the outward mail is large or the issue of circulars frequent, the use of a folding machine will effect considerable economy. The folding by hand of large numbers of papers occupies much time, and there are one or two machines on the market which office organisers might with advantage consider as to their suitability for expediting the despatch of such papers. The Gammeter Multigraph Folder is specially manufactured for office use and does not involve the large initial expenditure and the installation of heavy machinery which are associated with the folding machine of the printer. The machine is capable of making a large number of different folds, is electrically driven and automatically feeds, folds, counts, and stacks circulars at the rate of 4,800 an hour. The folding is, of course, superior to that done by hand. In a large firm where the despatch of the letters is done by a central department, it could be used for the folding of the single sheet letters which are typed on paper of a uniform size, and would be specially suitable for folding correspondence which is placed in window envelopes.

FOLIO.—The real meaning of this word is a sheet of paper folded once only so as to make two leaves. In book-keeping the word is strictly confined to denoting the two opposite pages of an account book numbered as one; but it is now very commonly used to signify a page. In law-writing, a folio indicates a number of words, viz., seventy-two.

FOLLOW-UP SYSTEMS.—The old-time business man prided himself on carrying most of the essential details of his business in his head, on knowing the "standing" and peculiarities of his customers, and who and where were possible new customers, without recourse to pen and paper. To-day, business conditions are so complex and the pace is so accelerated that such methods have disappeared, though only the invention and general adoption of the card index have made effective follow-up systems possible.

"Following up" is most necessary and useful in connection with the Sales Department and the

Accounting Department: in the former for keeping track of inquiries and the efforts that have been made to turn those inquiries into tangible business; in the latter for keeping a record of the efforts made to collect outstanding amounts due from sales already achieved.

Space will not allow descriptions of the many forms which the follow-up system may take; and as these are usually specially devised for, and adapted to, the needs of each particular business a general example will suffice.

Take the case of a business which advertises its wares to the public or the trade: the Sales Department will keep in close touch with every possible opportunity for making sales, using an alphabetically-indexed "Inquiry" record to show—

(1) The name and address of the individual who replies to the advertisement, with the nature and date of his inquiry.

(2) The date on which a reply was sent, and a record of what catalogues, samples (if any), and prices were submitted.

(3) A note of the date on which details of the "prospect" (as the inquirer is now called) were sent to the traveller working that district. (This record is not needed in all businesses, for it must be remembered that many large firms employ no travellers.)

(4) The date on which—presuming no reply or order has been forthcoming—a second letter was sent to strengthen the first and as a reminder that no reply has been received.

That is the basis of the scheme, although some firms will send as many as four or five "form letters"—at intervals of a week, a fortnight, or longer—before they give up a prospect as hopeless, and even then they are well advised to transfer him to the "circularizing" file for further attention.

The cards used should be suitably ruled into sections, or spaces, for the entry of the various records and dates enumerated above, and would need to be designed to suit the particular follow-up method adopted. The cards should have along the top edge the days of the month (1 to 31). This enables "signals"—metal clips of various colours—to be placed on the card at the date on which a form letter is due to be despatched. Thus, if a "prospect" replied to on the first of the month was still silent, under a weekly system of following-up the next letter would be sent to him on the eighth of the same month.

So soon as an order has been obtained, the card is taken from the "Inquiry" file and one is made out for the "Customers" file. No further form-letters are sent; but probably the original card would be placed in the "Circularizing" file, so that particulars of new goods and new prices, together with new catalogues, could be sent.

The Accounting Department would need cards showing the amount outstanding against the particular customer; how long owing; the customer's credit limit; and the dates on which account's form-letters had been sent to hurry up a settlement, and these would be removed as soon as the account had been paid.

The foregoing is, briefly, a general idea of the follow-up system suited to the majority of businesses where inquiries are the result of advertisements, or travellers' calls; but, of course, it can be either reduced or amplified according to the needs of the business.

FOOD AND DRUGS.—(a) **Common Law.** At common law it was indictable to mix unwholesome ingredients with food intended for sale. An idea was also long current that if provisions were sold by a dealer, in them, there was an implied condition that they were fit for food. This rule, however, was afterwards held to exist only in the form mentioned below.

(b) **Sale of Goods Act.** Section 14 of the Sale of Goods Act, 1893, annexes to goods (when the vendor's skill or judgment is relied on) an implied condition of fitness for the particular purpose for which they were sold and (where goods are sold by description) of merchantable quality. For example, a vendor of crabs intended for human consumption, but which were in fact unwholesome, and a vendor of milk infected with typhoid fever, have been held liable under the implied condition of fitness for a particular purpose; while even in a case where the customer exercised a little selection by asking for "Holden's beer," and the beer contained arsenic, and the jury found that the purchaser did not rely on the vendor's skill or judgment, the vendor was held liable in damages on an implied condition of merchantable quality.

Thus liabilities are entirely independent of any wrongdoing or remissness on the part of the vendor.

(c) **The Food and Drugs Acts, 1875-1907.** These statutes form a detailed and complex code. Certain of their Sections are dealt with under **ANALYSIS** (*q v*), while the provisions as to butter and margarine (*q v*) are also dealt with separately.

The Act of 1875 provides that for these purposes "food" shall include every article used for food or drink by man, other than drugs or water, and any article which ordinarily enters into or is used in the composition or preparation of human food, and shall also include flavouring matter and condiments. The term "drug" is to include medicine for internal or external use.

The Act then lays down two classes of offences—

The first-class is that of offences which involve an element of fraud, and on summary conviction a penalty of £50 may be imposed for the first offence, and any subsequent offence is a misdemeanour, for which the accused may receive not exceeding six months' hard labour.

Such offences are the following—

(a) Mixing, colouring, staining, or powdering, or ordering or permitting any other person to mix, colour, stain, or powder any article of food with any ingredient or material so as to render the article injurious to health, with intent that the same may be sold in that state or selling any such article so mixed, coloured, stained, or powdered.

(b) Mixing, colouring, staining, or powdering or ordering, or permitting any other person to mix, colour, stain, or powder any drug with any ingredient or material, so as to affect injuriously the quality or potency of such drug with intent that the same may be sold in that state or selling any such drug so mixed, coloured, stained, or powdered.

A person charged under these Sections has a good defence if he can show to the satisfaction of the court before which he is charged that he did not know that the food or drug sold by him was so mixed, coloured, stained, or powdered, and that he could not with reasonable diligence have obtained that knowledge.

It will, therefore, be apparent that it is not easy to secure convictions under these Sections, and,

indeed, prosecutions under them have become relatively infrequent.

Of far more frequent occurrence are proceedings for the second class of offence, for which the Acts impose a penalty not exceeding £20 in respect of the first conviction, not exceeding £50 on a second conviction, and not exceeding £100 for any subsequent offence, with a further provision that any person liable to a fine exceeding £50, if the offence in the opinion of the court was committed by the personal act, default, or culpable negligence of the person accused, shall be liable (if the court is of the opinion that a fine will not meet the circumstances of the case) to imprisonment with or without hard labour for a period not exceeding three months.

Such offences are the following—

(1) Selling to the prejudice of the purchaser any article of food or any drug which is not of the nature, substance, and quality of the article demanded by such purchaser, provided that an offence shall not be deemed to be committed under this Section in the following cases, that is to say—

(a) Where any matter or ingredient not injurious to health has been added to the food or drug, because the same is required for the production or preparation thereof as an article of commerce, in a state fit for carriage or consumption, and not fraudulently to increase the bulk, weight, or measure of the goods or drug, or conceal the inferior quality thereof;

(b) Where the drug or food is a proprietary medicine, or is the subject of a patent in force, and is supplied in the state required by the specification of the patent;

(c) Where the food or drug is unavoidably mixed with some extraneous matter in the process of collection or preparation.

(2) Selling any compound article of food or compounded drug which is not composed of ingredients in accordance with the demand of the purchaser.

Provided that no person shall be guilty of any such offence as aforesaid in respect of the sale of an article of food or a drug mixed with any matter or ingredient not injurious to health, and not intended fraudulently to increase its bulk, weight, or measure, or conceal its inferior quality if at the time of delivering such article or drug he supplies to the person receiving the same a notice by a label distinctly and legibly written or printed on, or with the article or drug, to the effect that the same is mixed.

These sections are of the utmost importance, and there are decisions on nearly every word of them. Certain points have also been affected by further legislation, which will be referred to in its proper place.

In the first place, the words "no person shall sell" and "purchaser" become of importance when either sale or purchase is through an agent. In such a case, both agent and principal are liable for selling, and a person who purchases through an agent may prosecute. Thus, when an inspector sent his assistant into a shop to buy gin, and gave him the money to pay for it, and when the assistant had been in the shop about a minute, followed and went in, it was held that the inspector was the purchaser and the person prejudiced, under the Section. There have been numerous decisions on the meaning of the words "to the prejudice of the purchaser." It is established that "prejudice" does not mean merely pecuniary prejudice, and it

is probable that a conviction would follow if it could be shown that a purchaser in the abstract would be prejudiced, even though the actual purchaser might for some reason to himself not be prejudiced. The Scottish courts, however, were disinclined to take this view; and accordingly thought that if a purchaser bought only for analysis he could not be said to be "prejudiced." To remove this discrepancy between English and Scottish law, it is now expressly provided that "in any prosecution—for selling to the prejudice of the purchaser any article of food or any drug which is not of the nature, substance, and quality of the article demanded by such purchaser—it shall be no defence to any such prosecution to allege that the purchaser, having bought only for analysis, was not prejudiced by such sale."

The same Section also enacts that it shall not be a good defence to prove that the article of food or drug in question, though defective in nature or substance or in quality, was not defective in all three respects—in other words, a conviction will follow if it is shown that the article is defective in either nature, substance, or quality. But the words "to the prejudice of the purchaser" still play an important part in preventing oppressive convictions. For example, it is well settled that if express notice is given to the purchaser at the time of sale that the article sold is not of the nature, substance, and quality of the article he demands, he cannot be said to be prejudiced. Thus, where A demanded of B coffee, and B replied that he did not sell coffee, but pointed to certain tins marked "Mixture of coffee and chicory," and informed A that he sold such as a mixture of coffee and chicory, B was acquitted of any offence, as A got what he asked for. The notice in question need not be particular; but may be general, as by putting up a notice in the shop. Any such general notice must be clear and unambiguous; and it must be shown that the purchaser saw it or that any ordinary person would have seen it. The fact that the purchaser, in fact, knew of the unsatisfactory state of the article, from sources of information other than the vendor, would probably be no defence if he did not actually see the notice, though there are conflicting decisions on the point.

Another class of cases is where the article is slightly different from that usually sold as such, but in no way inferior. Thus, in a case where a pot of marmalade was sold which contained 12 per cent. of starch glucose, which it was proved was not injurious to health; and which had the effect of preventing the marmalade crystallising, and also had a tendency to prevent mildewing and germinating; and further, that there was no legal standard of marmalade, it was held that there was no evidence of the sale being to the prejudice of the purchaser, Alverstone, L.C.J., observing: "It has been judicially decided that the difference between the article demanded and that supplied must be to the prejudice of the purchaser. . . In the present case an article was given to the purchaser which, if different, was rather better."

This decision, of course, raises the whole question: "What is the article demanded?"

The question is not always an easy one to answer, but one must say generally that it is the duty of the justices to ascertain from the evidence and from any special knowledge they may possess what article is, in fact, usually indicated in trade by the name used when the purchase was made. In some cases,

the duties of justices in this respect are much lightened. For example—

(a) The British Pharmacopoeia (*q.v.*) fixes a standard for many drugs. Practically one can only set aside such a standard either by showing that the British Pharmacopoeia does not expressly state what is the composition of the article when made, or by showing that, commercially, the article is judged by a different standard—a proposition which it is very difficult to establish to the satisfaction of the court.

(b) Milk is governed by the Sale of Milk Regulations issued by the Board of Agriculture in 1901, which provide that where milk contains less than certain percentages of milk solids and milk fats, the milk shall be presumed not to be genuine until the contrary is shown, and similar regulations are applied to skimmed or separated milk.

(c) Spirits are dealt with by Section 6 of the Act of 1879, which provides that, in the case of spirits not adulterated otherwise than by the admixture of water, it shall be a good defence to prove that such admixture has not reduced the spirit more than 25° under proof for brandy, whisky, or rum, or 35° under proof for gin.

The Section, of course, does not debar a person accused from setting up any other defence, *e.g.*, that, though the spirits were diluted beyond the points above mentioned, the purchaser had notice of the fact.

It now becomes necessary to consider the last of the three Sections above mentioned, commonly called the "label Section." This Section, in addition to allowing the purchaser to prove, if he can, that he gave notice to the purchaser, who was, therefore, not prejudiced, enables him to escape if he can show that a mixture was labelled to the effect that it was mixed. This defence is subject to two important qualifications: (a) It will be of no avail if the justices find, as a fact, that the mixture was intended fraudulently to increase the bulk weight or measure of the food or drug, and if this is so found, it is no defence to prove that one is merely re-selling the article innocently in the same state as when bought from the manufacturer; (b) the label is not deemed to be distinctly and legibly written or printed unless it is so written or printed that the notice of mixture is not obscured by other matter on the label; the Section, however, containing certain exceptions in favour of labels registered as trade marks, or of seven years' standing. Cases upon the Section have generally turned on the adequacy of the notice; and it has been held that the notice need only state the fact of the article being a mixture, not the extent of the admixture. Whether the fact that the label is covered by an outside wrapper will cause the vendor to forfeit the benefit of the Section has been the subject of a good deal of discussion. On the whole, one may decide the question thus: "Could the purchaser be reasonably expected to know that there was a label inside the outer wrapper?" If so, the Section has been complied with. It is obvious that the decision will be different according as the article is, for example, a cocoa tin, of a kind almost always labelled, and a package of butter.

This concludes the Sections of the Acts which aim at punishing the delinquencies of the sellers, pure and simple, of food and drugs; and the next Section, viz., Section 9, has a wider scope, for it enacts—

"No person shall, with the intent that the same

shall be sold in its altered state, without notice, abstract from an article of food any part of it so as to affect injuriously its quality, substance, or nature; and no person shall sell any article so altered without making disclosures of the alterations, under a penalty in each case not exceeding £20 (subject to the provision mentioned above in the case of second and subsequent offences)."

This Section is wide enough to include anyone, whether or not he is the actual seller, who "abstracts with intent, etc."; and a person who sells cannot set up absence of guilty knowledge as a defence to a prosecution under the second part of the Section.

The Section, it will be observed, makes "disclosure" a defence; and this disclosure must, in the opinion of the justices be adequate, for the court will not lightly interfere with the finding of the justices on this point.

This Section was particularly aimed at the abstraction of certain elements from milk, and the subject of condensed milk is further dealt with by the Act of 1899, which (a) imposes a fine of £20 for a first, £50 for a second, and £100 for any subsequent offence, upon the importer into the United Kingdom of condensed, separated, or skimmed milk, except in tins or other receptacles which bear a label whereon the words "machine-skimmed milk" or "skimmed milk," as the case may require, are printed in large and legible type; and (b) imposes a fine of £10 on any person who sells or exposes for sale condensed, separated, or skimmed milk, otherwise than as above.

The sale of milk is also regulated by Section 9, which provides that any person who by himself or his servant, in any highway or place of public resort, sells milk or cream from a vehicle or from a can or other receptacle, shall have his name and address conspicuously inscribed on the vehicle or receptacle, and in default is liable to a fine of £2.

It remains to deal with a very important statutory defence to certain offences under the Acts, viz., written warranty.

Section 25 of the Act of 1875 provides—

"If the defendant in any prosecution under this Act proves to the satisfaction of the justices or court that he purchased the article in question as the same in nature, substance, and quality, as that demanded of him by the prosecutor and with a written warrant to that effect, that he had no reason at the time to believe when he sold it that the article was otherwise, and that he sold it in the same state as when he purchased it, he shall be discharged from the prosecution."

This Section has been the subject of much discussion in the courts, and the decisions on it are extremely difficult to reconcile with each other.

It must be premised that, although the Section alludes to "any prosecution under this Act" it is obviously applicable only to offences under certain Sections. For example, it has been judicially suggested that the defence will not admit in the case of offences under Section 9 as to abstraction of ingredients from milk, or in prosecutions under Sections 3 and 4 (the "mixing" sections), which virtually involve fraud.

It has further been held that the defence has no application to a charge of "importing" under the Act of 1879.

The defence has also been restricted by Section 20 of the Act of 1899, which provides that a warranty

or invoice given by a person resident outside the United Kingdom shall not be available as a defence to any proceeding under the Acts, unless the defendant proves that he had taken reasonable steps to ascertain and did, in fact, believe in the accuracy of the statement contained in the warranty or invoice. As to what is a sufficient written warranty, the cases are numerous and conflicting, and to review and criticise them would be beyond the scope of this article. It is conceived, however, that the following rules may be deduced from them—

(1) The warranty must be such as to have that effect in law. It is not, however, necessary that the word "warranty" shall be used, and if the intention is clear, and, having regard to Section 14 of the Sale of Goods Act, 1893 (*supra*), a condition (which the purchaser may elect to treat as a warranty) may in certain cases be implied from words of sale.

(2) Neither an invoice nor a label has, *per se*, any effect under this Section, but if the invoice or label is the very proof and record of the contract, and not merely a subsequent identification of the goods delivered under it, it will be sufficient.

(3) If there is a running contract in writing for the supply of goods, and it is a question whether it operates to protect any particular transaction, it will probably do so if there is some writing to identify the transaction as coming within the contract; and for this purpose an invoice or a label, though not itself a warranty, will be admitted as evidence. If it is intended to rely on this defence of warranty, a copy of it must, within seven days of the service of the summons, be sent to the purchaser with a written notice that the defendant intends to rely on it, and specifying the name and address of the person from whom he received it; and a like notice of intention must be sent to such person, who is entitled to attend and give evidence. Forgery of a warranty is a misdemeanour punishable with two years' hard labour. It only remains to notice certain miscellaneous provisions of the Acts: It is an offence to obstruct or attempt to bribe any officer under the Acts, the penalty being £20 for a first offence, £50 for a second, £100 (or imprisonment) for any subsequent one.

In all prosecutions under the Act, the burden of proof, as it is usually in criminal cases, rests with the prosecutor; but when it has been proved that an article has been sold in a mixed state, if the defendant desires to rely on an exception or provision in the Act, it is incumbent on him to prove the same.

Finally, it must be observed that any person convicted of any offence under the Act of 1875 punishable by justices may appeal to quarter sessions. The Acts are not to affect by proceeding by indictment, or diminish contractual obligation; but a person convicted under the Acts may add his fine and costs to the damages claimed by him from the person who sold him the article.

FOOD PRODUCTION AT HOME.—In its last stages the war to some extent developed into a race between the submarine and the plough, the hare and the tortoise, the Germans, by their unrestricted attacks on shipping strove to starve us, while our farmers—not entirely because the Corn Production Act guaranteed prices—were exerting themselves to increase home-grown supplies. Possibly the tortoise would have won in the long run, as it did in the fable, but even so we should have had anxious

moments if the sudden collapse of the enemy had not given relief. We had come to depend so greatly upon foreign produced food, corn and meat and sugar, even butter and eggs and milk, that the least interruption to free passage across the seas brought acutely home to us this dependence upon supplies from abroad. We had long given up the firm basis of agriculture and stood upon the more profitable, though also more fluctuating, basis of trade and manufacture. By turning cotton into calico, or wool into flannel, or iron-ore into machinery, we could get far more food than we could by equal exertion have obtained from our not very bountiful soil in our not very genial climate—always provided that we could sell our calico and the rest abroad, and bring home the food in exchange. For a hundred years there had been no difficulty in doing this; we had come to acquiesce in our dependence, and the amount of land under the plough was decreasing. The farmer, naturally enough, seeing that he had no incentive to do otherwise, pondered how he could make big profits, not how he could produce most food, and the result of his thought often turned him to stock-rearing rather than to the growing of corn. We had no need, we supposed, to imitate Germany, to "keep under the protection of her guns the ground upon which her corn grows and her cattle graze." So it was that, whereas at the opening of the nineteenth century we imported hardly enough food to serve for Sunday supper, at the opening of the twentieth we imported all except what would serve us from Friday evening to Monday morning; we fed ourselves at the week-end, trusting to America and the outside world for provision during the rest of the week.

When outside supplies were imperilled by enemy action we all, whether or not we dug an allotment or reared pigs and rabbits, realized the urgency of raising as much food as possible at home. Perhaps those lean years of rations and restrictions will not recur. Yet it is wise to consider whether it may not be of advantage to extract more from our own soil—which does not become exhausted like our coal mines but rather improves with being intelligently worked, which provides not only food but paying work, and which maintains a healthy rural population. It would indeed appear that we shall be obliged to do so. Town-dwellers though most of us are, regarding the country chiefly in reference to its amenities for holiday-making, we shall perhaps come to the conclusion that the farmer and the fisherman—for he, too, provides much food—should be insured against loss.

New conditions are with us. We have lost the start that a series of fortunate chances gave us, our pre-eminence in the invention of machinery and in the harnessing of fuel to do man's work. All the highly developed peoples are to-day pretty much on the same mark, and we compete for our food supplies with rivals of like purchasing power. We shall, therefore, get food on less easy terms. Moreover, as a nation we are faced with heavy bills; we must pay for what has vanished in smoke and flame, and we have, as a legacy of the war, the obligation to support for many years the disabled and bereft. We must accordingly study economy through plain living, which does not at all mean poor food, and through living as much as we can upon home-grown food. We shall thereby save on our foreign food bill just as the allotment holder saves on his greengrocer's bill.

During the war our corn crops were climbing hills and encroaching upon heath and rough grazings, a precarious process justified then to the farmer by the high prices of wheat and the rest, and by the thought that he was thereby "doing his bit." But it is a process which he will hardly continue now that supplies are assured. For now wheat prices will be controlled—apart from special provisions—not by the cost of production at home, but by the cost of wheat grown in India or Russia (where labour is exceedingly cheap), or in America (where light and therefore cheap farming is possible upon the abundant land). The farmer, like the rest of us, is a business man, not a philanthropist; and in the face of public indifference he cannot be expected in the public interest to sacrifice a certainty for a doubtful proposition. He argues, reasonably enough, that he should be left to guide himself by ordinary business principles. He knows that 100 acres of arable land feed twice as many as 100 acres of grass land. The stock-rearer, however, has less risks to face; for a drought, the dread of the Australian grazier or cattle-king, is rare with us. His work is less monotonous and less laborious, and he can rely more upon his own exertions—far less labour being needed for stock than wheat. And higher agricultural wages make the last argument stronger.

If, as appears to be indicated, we shall have to feed ourselves for longer than the week-end, farmers must have an incentive to turn from grazing to tillage. Either corn prices must, as they were during the war, be assured over a period, or there must be as an alternative a subsidy on wheat-growing. And the incentive need not be great. Though a foreman declared that we have no climate but only samples of weather, we are not, after all, badly served in our share of warmth and rain; and though our country, with surface very different from the vast uniform stretches of the Canadian wheat lands, has only samples of soils, yet many of those soils would well reward the plough.

FOOLSCAP.—A sheet of paper varying in size from 12 in. to 12½ in. by 15 in. to 16 in., so-called from having formerly borne the water-mark of a fool's cap and bells, which is said to have been substituted by Cromwell for the Royal arms. Double foolscap is 17 in. by 27 in.

FOOT.—In linear measurement, the term "foot" is applied to a unit of measurement in most countries of the world, which differs considerably in length. It was evidently taken originally from the length of the human foot, as other measures of length were taken from other parts of the body. The English foot is 12 in. long, or the third part of a yard. The French and the Rhenish foot (in common use in Germany) are slightly longer than the English foot, with which the Russian foot is identical. A metre is equal in length to 3·2818 English feet.

FOOT-POUND.—This is the term used to denote the amount of work done in raising 1 lb. through 1 foot at the earth's surface. The force that has to be overcome is the weight of the pound, and as this is the attraction between it and the earth, the foot-pound varies in different latitudes, owing to the difference in the power of attraction. In the metric system, the unit of work is the kilogramme instead of the foot-pound, and this means the amount of work done in raising a kilogramme through 1 metre at the earth's surface. The kilogramme is equivalent to 7·233 foot-pounds. (See HORSE POWER.)

FOR CASH.—A transaction on the Stock Exchange which is "for cash" or "for money," means that the security which has been sold must, as soon as delivered, be paid for in cash. (See **FOR THE ACCOUNT.**)

FORCE MAJEURE.—Circumstances or events which no human precaution could have averted, or which no fraudulent intention could have produced; and those dangers and accidents which are beyond human power to control or oppose. (See **ACT OF GOD.**)

FORCIBLE ENTRY.—The well-known maxim that an Englishman's home is his castle is very jealously guarded in practice. Unless, therefore, there is some grant of permission, no person has the right to enter in or upon the lands of another, even though the person entering is the lessor of the premises. The fact of the demise of the premises is enough to make the holder for the time being the sole arbiter as to who shall or who shall not enter in or upon the premises. But, of course, there is a right of peaceful entry in the case of distress (*qv*). For every other entry there is a right of action for trespass, and not only may damages be awarded against the trespasser, but in certain cases an injunction (*qv*) will be granted restraining the trespasser from continuing his offence. But forcible entry is an act which renders the offender liable to be prosecuted by criminal process. It is, in fact, an indictable offence, and no person can give to another the right to enter forcibly in or upon premises. To constitute the offence there must be some violence shown. Merely opening a door and entering does not make the entry forcible, but the breaking of a door or window would be enough for the purpose. Even an officer of the Crown cannot enter forcibly unless he has been first of all refused admission.

FORECLOSE.—The act of fore-closing.

FORECLOSURE.—The taking actual possession of an estate or other thing mortgaged with a view to securing repayment of the loan. In equity it was always considered that a thing mortgaged was nothing more than a security for the money advanced. "Once a mortgage, always a mortgage." A mortgagee, therefore, was never allowed to take possession of an estate on the failure of the mortgagor to pay at the stipulated time. But, nevertheless, payment must be made within a reasonable time.

Where a mortgagor has failed, after due notice, to repay the mortgage debt, the mortgagee has the right to apply to the court for an order for foreclosure. Where this is done, the court orders an account of what is due to the mortgagee to be submitted, and if what is found to be due is not paid within the period named, generally six months, the mortgagor's equity of redemption (*qv*), that is, his right to redeem the property, is foreclosed or extinguished. By foreclosure, therefore, the mortgagor loses his equity of redemption altogether and has no further interest or right in the property, and the mortgagee becomes absolute owner.

Neither a legal mortgagee nor an equitable mortgagee can foreclose without sanction of the court. A legal mortgagee can, however, sell the property or put in a receiver under the power contained in his mortgage deed, without any application to the court. And unless he is specially prohibited, there is a right of sale implied under the Conveyancing Act, 1881.

The expression "redeem up, foreclose down,"

applies when a mortgagee makes application to the court for foreclosure, as he forecloses any subsequent mortgagees, as well as the mortgagor, and redeems any prior mortgage.

Application for foreclosure must be made within twelve years from the last payment of interest by the mortgagor or written acknowledgment of the debt. (See **STATUTES OF LIMITATION**.)

Where a mortgagee forecloses and thus becomes absolute owner of the property, he has no further claim upon the mortgagor. But if a mortgagee sells the property, instead of foreclosing, he may claim upon the mortgagor for the balance owing, if the proceeds of the sale are not sufficient to repay the mortgage debt. (See **MORTGAGE**.)

FOREDATE.—The dating of a document before its proper time.

FOREIGN BANK NOTES.—These are the notes issued by some State other than Great Britain, and the law respecting them is that of the country by which they are issued. They are not negotiable instruments in this country like Bank of England notes. In practice, country bankers send their foreign bank notes to their London office or to their London agents to be sold.

FOREIGN BILL.—The Bills of Exchange Act, 1882, draws a distinction between inland and foreign bills. This is a matter of very considerable importance, as the various foreign codes are not always in harmony with the laws of Great Britain in respect of these documents.

An inland bill of exchange is defined as a bill which is, or on the face of it purports to be, (a) both drawn and payable within the British Islands, or (b) drawn within the British Islands upon some person resident therein. Any other bill is a foreign bill. The British Islands mean any part of the United Kingdom of Great Britain and Ireland, the islands of Man, Guernsey, Jersey, Alderney and Sark, and the islands adjacent to any of them being part of the dominions of His Majesty; and a bill drawn in any of those places is an inland bill, but for the purposes of stamp duty a bill or note purporting to be drawn out of the United Kingdom is deemed, by the Stamp Act, 1891 (Sec. 36), to be a foreign bill.

The regulations regarding bills are not the same in all countries, and the Bills of Exchange Act, in Section 72, sets forth the rules to be observed where laws conflict—

"Where a bill drawn in one country is negotiated, accepted, or payable in another, the rights, duties, and liabilities of the parties thereto are determined as follows—

"(1) The validity of a bill as regards requisites in form is determined by the law of the place of issue, and the validity as regards requisites in form of the supervening contracts, such as acceptance, or indorsement, or acceptance *supra* protest, is determined by the law of the place where such contract was made:

"Provided that—

"(a) Where a bill is issued out of the United Kingdom, it is not invalid by reason only that it is not stamped in accordance with the law of the place of issue:

"(b) Where a bill, issued out of the United Kingdom, conforms, as regards requisites in form, to the law of the United Kingdom, it may, for the purpose of enforcing payment thereof, be treated as valid as

between all persons who negotiate, hold, or become parties to it in the United Kingdom.

"(2) Subject to the provisions of this Act, the interpretation of the drawing, indorsement, acceptance, or acceptance *supra* protest of a bill is determined by the law of the place where such contract is made.

"Provided that where an inland bill is indorsed in a foreign country, the indorsement shall, as regards the payer, be interpreted according to the law of the United Kingdom.

"(3) The duties of the holder with respect to presentment for acceptance or payment and the necessity for or sufficiency of a protest or notice of dishonour, or otherwise, are determined by the law of the place where the act is done or the bill is dishonoured.

"(4) Where a bill is drawn out of, but payable in, the United Kingdom, and the sum payable is not expressed in the currency of the United Kingdom, the amount shall, in the absence of some express stipulation, be calculated according to the rate of exchange for sight drafts at the place of payment on the day the bill is payable.

"(5) Where a bill is drawn in one country and is payable in another, the due date thereof is determined according to the law of the place where it is payable."

A foreign bill may be drawn in this country and be payable abroad, *e.g.*, where goods are exported from England to France the exporter may draw a bill upon his correspondent in France for the value of the goods. A foreign bill is also one which is drawn abroad and payable in this country, as, for example, for the value of goods imported into England from America. A credit may be opened for the captain of a ship at a foreign port who may draw bills upon a London banker up to a certain fixed sum.

The following extract from the *Bankers' Magazine*, illustrates in the case of cotton, the various forms of bank paper which may be created between the seedling in Texas and the delivery of the cotton in Liverpool: "The planter is carried on through the season by advances from a local bank or a commission agent acting for a firm of Liverpool importers. When the cotton is ready to ship it may be paid for by a cheque on a bank in New Orleans or Galveston. The local bank sees it on board ship and draws on a New York bank against it, at the same time forwarding the bills of lading. The New York bank draws on London, and sends on the bills of lading with the draft. The London acceptors, who may be a bank or a commercial firm, discount the bill, and the discounters may re-discount it or borrow on it. If it be what is technically called a 'fine bill,' that is, with the best kind of names on it, it may pass through many hands before it matures."

When bills are payable abroad, the common practice is for the country banker to send them to his London office or London agent to be sold through a foreign bill broker. The London banker, of course, disposes of his foreign bills in the same manner, indorsing them before negotiation. In the ordinary course of business, the bills get to the place where they are payable, and they are either paid or dishonoured on presentment just in the same manner as an inland bill.

A foreign bill generally consists of a set of three bills, though the three documents constitute but one bill. This is called "drawing in a set." The three parts are identical in terms, except that each is expressed to be payable only on condition that neither of the other two has been paid. The three parts are transmitted separately, and, therefore the risk of loss is greatly diminished. Only one part, however, should be accepted, for if more than one is accepted the acceptor may find himself liable on each of the parts so accepted, as though it was a separate bill. Similarly, if the holder of a set indorses more parts than one to different persons, he is liable upon each part indorsed as though it was a separate bill. Again, an acceptor on paying a bill drawn in a set should see that the part bearing his acceptance is handed to him, otherwise a holder in due course may afterwards demand payment. Generally speaking, the whole bill is discharged when any one of the parts is discharged.

The following are common forms of foreign bills of exchange—

I.

London, May 3, 19..

For francs, 10,000.

At forty days after sight of this first of exchange (second and third unpaid) pay to the order of M. Jean Berthelot ten thousand francs, for value received, and place the same to account as advised.

Joseph Brown.

To M. E. Mahin, Paris.

II.

Payable in London. Due.....
No.

Las Palmas,
May 10, 19..

£200.

At thirty days after sight of this first of exchange (second unpaid) pay to the order of John Jones the sum of two hundred pounds sterling, value received, which amount place with or without further advice to the account of the steamer "Britannia."

J. Brown.

To X & Y. Steam Ship Co. Ltd.
Hull.

III.

London, May 17, 19..

Exchange for £500.

Sixty days after sight of this first of exchange (second and third of the same tenor and date unpaid), pay to the order of John Jones, five hundred pounds, value received, which place to account as advised. The shipping documents attached to be surrendered against acceptance.

John Brown.

To R. Robinson & Co., "
New York.

The stamp duty payable upon a foreign bill is the same as that upon an inland bill until the amount of £50 is reached. Thus—

Where the amount or value of the money for which the bill is drawn does	£	s.	d.
not exceed £10	0	0	2
Exceeds £10 and does not exceed £25 ..	0	0	3
.. £25	£50	0	0

[FACSIMILE OF SET OF FOREIGN BILLS OF EXCHANGE.]



[Redacted] London, ^{1. Apex Corner} February 28th 19¹⁹
Ninety Days after sight of this **FIRST** of Exchange
 (second and third of the same tenor and date unpaid) pay to the
 order of *Narayan* *Esq.* *Rs.* *100*
~~*[Redacted]*~~
 Value received
 To *Ramchandra Lahari & Pro.*
Esplanade Road,
Madras.
 For and on behalf of
 GREENBAUM, BUCKNALL & CO. LTD.
Joseph Smith MANAGER



LONDON, *[Redacted]* London, ^{1. Apex Corner} February 28th 19¹⁹
Ninety Days after sight of this **SECOND** of Exchange
 (first and third of the same tenor and date unpaid) pay to the
 order of *Narayan* *Esq.* *Rs.* *100*
~~*[Redacted]*~~
 Value received
 To *Ramchandra Lahari & Pro.*
Esplanade Road,
Madras
 For and on behalf of
 GREENBAUM, BUCKNALL & CO. LTD.
Joseph Smith MANAGER



LONDON, *[Redacted]* London, ^{1. Apex Corner} February 28th 19¹⁹
Ninety Days after sight of this **THIRD** of Exchange
 (first and second of the same tenor and date unpaid) pay to the
 order of *Narayan* *Esq.* *Rs.* *100*
~~*[Redacted]*~~
 Value received
 To *Ramchandra Lahari & Pro.*
Esplanade Road,
Madras
 For and on behalf of
 GREENBAUM, BUCKNALL & CO. LTD.
Joseph Smith MANAGER

(It will be remembered that the duty is 2d. only when the bill is drawn payable on demand, or at sight, or on presentation, or within three days after date or sight.)

After £50, by the Finance Act, 1899, the duty is as follows—

When the amount exceeds £50, but does not exceed £100, 6d.;

When the amount exceeds £100, 6d for every £100 and for any fractional part of £100.

On foreign bills, the duties are to be denoted by adhesive foreign bill stamps. If a bill which is drawn abroad is impressed with an English stamp, this is not sufficient; it must have the correct adhesive stamp affixed. If the bill is payable on demand, or at sight, or on presentation, or within three days after date or sight, an ordinary twopenny postage stamp may be used. Any person into whose hands any foreign bill comes before it is stamped must affix the correct stamp before dealing with the bill in any way.

Where the bill is drawn in foreign money, the amount, for the purpose of calculating the stamp duty, is arrived at according to the rate of exchange current at the date of the bill, unless the rate is stated in the bill.

Two special points are to be noticed in connection with foreign bills of exchange, in addition to those already mentioned—

(1) A foreign bill is frequently made payable at one or more "usances." By "usage" is meant customary time, that is, the time of payment as fixed by custom, having regard to the place where the bill is drawn and the place where it is payable. For example, if the usance between London and Rotterdam, is one month, a bill drawn in the latter place on January 1st, and made payable at double usance, falls due on March 4th. (See DAYS OF GRACE.) But it is to be borne in mind that all countries do not allow days of grace, e.g., France.

(2) If a foreign bill is dishonoured, the fact must be noted by a notary public. A declaration must also be drawn up as to the dishonour. This is called "protesting the bill." (See PROTEST.)

Foreign bill transactions are settled on the Royal Exchange on Tuesdays and Thursdays.

The stamps placed upon a bill in a foreign country should be scrutinised in this country, in case any action may be necessary in a foreign country where the absence or incorrectness of the required stamp would prove a bar to proceedings on the bill in that country. (See INLAND BILL.)

FOREIGN COMMERCIAL TRAVELLING.—

Although there are no licences required and no special regulations affecting the calling of a commercial traveller in the United Kingdom and British India, this is not the case in many of the British Dominions and in most foreign countries. It is, therefore, essential that a person who intends to act in the capacity of a commercial traveller abroad should make himself acquainted with all the formalities, etc., required by the local legislature. This he can do, as far as the British Dominions are concerned, by inquiry at the offices of the representative or agency in this country, or at the Colonial Office, and as to foreign countries particulars should be obtained from the nearest consulate of the country in question. As the regulations in most countries are liable to sudden and great changes, it is useless to set out what they are for any given period of time. (See COMMERCIAL TRAVELLING.)

FOREIGN CURRENCIES (DIFFERENCE IN EXCHANGE).—As the result of the demand for money and the consequent changes in the rate of interest, the rates of exchange between any two countries are continually varying, and hence in dealing with the conversion of accounts kept in currencies to sterling, it becomes necessary to deal with differences in exchange. This necessitates the adoption of sound principles upon which to convert the various items, and it is often difficult to determine the rate of exchange at which the conversion should be made. The following are the principles usually adopted in making these conversions, which, recognising, as they do, the differences in the nature of the items, may be taken as being as satisfactory as is possible without going too minutely into the details of fluctuations in the rates of exchange.

1. Items representing fixed assets and liabilities should be converted at the rate ruling at the date of acquirement, and particular attention given to depreciation in value.

2. Items representing floating assets and liabilities should be converted at the rate ruling at the date to which accounts are being made up, this being their actual value at that date.

3. Items representing dealings between the home establishment and the foreign establishment should be converted at the rate ruling on the dates on which they took place, which is easily done by the substitution of the home establishment's sterling figures, as per the account in its books.

4. Items on nominal accounts representing profit and loss transactions which have taken place during the period of the account, should be converted at the average rate ruling over such period.

The conversion at these varying rates having been effected, the accounts, as now converted, will not, of course, balance, and the difference is eliminated by raising an account known as a "Difference in Exchange Account," to which it is posted, this account being subsequently closed to the profit and loss account of the foreign establishment.

In the case of a merchant and his customer, on settlement of his account by the latter, the remittance is often made in currency, and may not produce the same amount in sterling as that standing on the merchant's books. The customer's account, therefore, requires adjustment, this being done through a "Difference in Exchange Account." In the case of many transactions, a column may be provided in the cash book for the reception of these differences, the total only being posted to the ledger account.

FOREIGN EXCHANGES.—The large volume of trade which is carried on between different countries naturally creates a very active business in the settlement of the balances of indebtedness which are bound to arise. These balances are constantly varying, not only in amount but also in direction, that is to say, a certain country may at some time be in debt to another country, and shortly afterwards the position may be reversed. To take an example, England may become indebted to another country, through the latter country having sent to this country goods of a value greater than this country has exported. There are, then, three ways in which the liability of England may be discharged—

(1) Coin or gold bars may be sent. This method is expensive owing to the charges for freight and insurance.

(2) A batch of "international" securities could

be sent, *i.e.*, certain well-known Government bonds, those which are dealt in on all the principal markets of the world. This method is not much cheaper than the first one noticed, owing to the charges for brokerage and the loss of the margin between the buying and the selling price.

(3) A remittance of bills may be made. This is by far the easiest and cheapest method, and consequently it is the one most frequently adopted. The bills need not necessarily be drawn upon the country to which they are remitted, provided that they are the acceptances of a country other than England. The bills used are, of course, any first-class ones that are being offered in the bill market, and may be of various currencies; at three months' date is a frequent quotation in the bill broker's bi-weekly Course of Exchange, or list of bill prices. (See COURSE OF EXCHANGE.)

The term "foreign exchanges" is used at the present day to mean the rates of exchange between England and foreign countries, and *vice versa*.

There are two main factors which affect the foreign exchanges and the price at which bills for settlement of a balance, as mentioned, can be bought. One is the relative indebtedness of the two countries. Thus, if this country is in debt to the other, the price of bills on that country naturally tends to rise in the market, because the merchants compete with one another in their endeavour to buy bills to remit, whilst in the other country's market the price of bills on this country tends to fall owing to absence of demand. The other disturbing factor is the value or price of money in the two countries, that is, the rate of discount ruling in each. Though in the case mentioned England owes the other country a balance, yet the exchanges may be turned in favour of this country by a high rate of interest here, for this will tempt capitalists in the foreign country to invest money in bills on this country, or, put in another way, as the rate rises, the demand will increase, until at last the price reaches the specie point, and gold begins to flow in. (See MONEY MARKET.)

If the systems of coinage of two or more countries are considered, it will be seen that there is a difference in the fineness of the precious metals used, that is, the quantity of alloy in the coins of one country is greater than in those of another. Before it is possible, therefore, for any settlement of differences to be arrived at, the value of the metals must be adjusted, because when there is any transportation of coins, they are only estimated by their weight and fineness as bullion. The face value of the coins never enters into consideration at all. But if the coinage of two countries is of the same metal, and both coinages are at their full weight and fineness, a calculation can be made by means of which an estimate of one can be arrived at in terms of the other: in other words, a relation has to be established between the amount of pure metal in the standard coins of the different countries, and this is called the "Mint Par of Exchange." (*q.v.*)

The foreign exchange is said to be turning in favour of a country when gold may shortly have to be sent to it by the foreigner, and to be adverse when, before *k.g.*, *i.* may be necessary to export gold to the foreigner.

Where the exchange rates are quoted in foreign money (*e.g.*, with France and Germany at so many francs or marks to the £), the higher the quotation the more favourable the exchange is to England,

because the amount of francs or marks which are to be received for £1 is greater. On the other hand, where rates are quoted in sterling money (*e.g.*, with Russia and India, at so many pence to a rouble or rupee) the lower the quotation the more favourable it is to England, because fewer pence are to be given for a rouble or rupee.

A means of making an unfavourable exchange more favourable is often found in raising the bank rate (*q.v.*) and thus attracting an inflow of foreign gold. A low discount rate produces an increased import of securities, tending to turn the exchange against this country. Again, an adverse exchange reacts upon the discount rate, for an increased number of bills are being drawn on London, and the movement against us may reach such a point as to attract specie abroad, with the consequence that the Bank (and, following it, the market) will raise the rate of discount to protect the reserve. The movements of the discount rate and the exchange rate are interdependent, and the one cannot move without producing its effect upon the other.

In dealing with foreign exchanges, the terms "high" and "low" are used with the greatest frequency, and they are calculated to mislead, since they express the exact converse of their ordinary meaning. For example, a rise in the French exchange means a fall in the value of the French currency, and is therefore against that country. If a draft has to be purchased on Paris, it is advisable to get a high rate because more francs are obtained for the pound sterling. If, however, a draft is being sold on that city, the lowest rate must be obtained, the rule to be observed being "buy high and sell low."

On the financial page of every important newspaper is to be found daily a list of the foreign exchanges denoting the sum which has to be paid in each foreign monetary centre shown, for the transmission of remittances to the United Kingdom. In addition, the newspapers publish, every Wednesday and Friday morning, a list showing the rates current "on Change," these rates representing those fixed by the bill brokers and bankers constituting the London market in foreign bills. (See COURSE OF EXCHANGE.)

FOREIGN JUDGMENTS.—By a foreign judgment is understood a judgment given in the ordinary way by a competent court of the country in which it is pronounced. It presupposes a regular trial according to the forms observed in that country, and a regular judicial order at the conclusion of the same. Since, by international law, the laws of one country have no force within the dominions of another state, the judgment pronounced in a country outside England, for instance, has no force whatever by itself, but requires an English judgment to enforce its terms. At one time this was also true of Scotch and Irish judgments; but now by the Judgments Extension Act, 1868, a judgment given in Scotland or Ireland, if it is registered in England, is enforceable in England by way of execution, etc., just as if it was an English judgment.

But as to judgments pronounced in any other parts of the British Dominions, as well as in any foreign country, it is necessary for the party who has obtained the judgment to obtain a second judgment in this country. This does not mean that a second trial of the action has to take place. The plaintiff sues on his judgment, and unless he

is able to be met by any such defence as is pointed out below, he sues by means of a specially indorsed writ and proceeds under Order XIV (*q.v.*). The foreign judgment is held to be, as it were, a kind of contract, and the claim is for a liquidated sum, the defendant being generally estopped from denying the validity of the same. But a foreign judgment (creditor must not forget the Statute of Limitations) The foreign judgment debt is only a simple contract debt, and must be sued upon within six years of its date, whereas an English judgment debt, *i.e.*, a judgment pronounced by an English court, is valid for twelve years.

The principal ground upon which a defendant can resist judgment is fraud. But a very strong case will have to be made out to induce the English court to interfere. There will be no interference on the ground of mere mistake, or that the foreign court has gone wrong on particular facts or law. It is obvious, therefore, that each case must depend upon its own merits, with a strong tendency to uphold the foreign judgment if possible. To interfere too lightly with foreign procedure would certainly lead to international difficulties. Other grounds upon which a defendant will be able to resist judgment being given against him are that the foreign court acted without jurisdiction, that the subject matter was immoral or illegal, that the judgment is an attempt to enforce the penal or revenue laws of the foreign State, that the foreign judgment was obtained in respect of a tort which, although giving rise to a civil action abroad, is not the subject of a civil action in this country. Where a foreign judgment is given in favour of the defendant, the plaintiff cannot take any action in an English court in respect of the same subject matter in any shape or form. The foreign judgment is final.

FOREIGN LAW.—The law of one State has no force within the dominions of another State. Therefore, if an action is brought in England, English law is alone applicable to the particular case in question. This does not mean, however, that foreign law is altogether ignored. A knowledge of it may be required to explain certain particular points connected with the case, with the status of the parties, etc. For this purpose, since foreign law is a question of evidence, the law of evidence requires that it shall be proved by one or more expert witnesses. The general practice is to call a duly qualified member of the legal profession in the country of which the law is in question as a witness, and to get him to explain the same. This very frequently happens in matrimonial causes. The English court will not assume jurisdiction in such matters unless it is satisfied that the domicile (*q.v.*) of the parties is English and that there has been a legal marriage. Suppose the alleged marriage was celebrated abroad and the validity of the ceremony is questioned. Before the question could be decided, it would be necessary to have the evidence of a duly qualified member of the legal profession of the country in which the ceremony took place to attest as to the validity, or invalidity of the same. Two Acts of Parliament were passed, in 1859 and 1861, to try and remedy the inconvenience that must certainly arise on occasions from this mode of procedure, but they have never been put into any practical force.

FOREIGN MARKETS, HOW TO GET IN TOUCH WITH.—The methods by which the manufacturer can get into touch with overseas markets, and create

a demand in them for his products, are perfectly simple if an effort is made to understand the structure of the great export trade which Great Britain in particular has built up in the course of centuries. What baffles the uninstructed manufacturer is the apparently impassable wall which the merchant shipper and the commission buyer present between him and the importer. They must be passed if the importer is to be induced to indent for, and the overseas consumer to demand from the importer, a particular line of goods, yet they must not in any way be antagonised, nor can the financial facilities they provide be dispensed with. The problem is to create the demand, and even initiate the specific order in the overseas market, while accepting the order and receiving payment from intermediary firms in England. Merely to appoint a London representative to canvass the shipping houses is a feeble and inadequate policy doomed to disappointment and failure. It is a first and essential step, but it must be reinforced by measures of a far more comprehensive character.

Export Representation. Most important is the appointment of efficient representatives in the overseas markets which it is desired to serve. A preliminary trip for this purpose may be made by a special representative—a principal of the firm if possible—whose main object should be a general investigation of the business opportunities offering. Following such a visit comes the need for representation on permanent lines. A salaried man solely devoted to one firm's interests is neither necessary nor likely to prove profitable for this. What is wanted is an established commission agent holding a group of allied lines, and able to prove that he possesses the right sort of connection among buyers. He would work on a moderate expenses allowance and commission on all orders emanating from his territory, and his duties would be to canvass the wholesale importers, showing samples and quoting prices, and inducing them to indent on their home shipping or buying connections for the goods. He would notify his principals of such promised indents, and it would be their duty to arrange for confirmation by the merchant shipper or commission buyer entrusted with the indent. This method of working not only avoids antagonising the home shipper and buyer, for it in no way usurps their prerogatives and responsibilities, but actually operates in their interests by beating up a certain amount of business which would not otherwise pass through their hands. The actual salesmanship is performed by the commission representative, who gets into personal touch with the ultimate customer—the importer—and who can also render invaluable service by providing constant information and advice concerning his market. In some trades, notably those handling machinery, the commission representative is conveniently displaced by the merchant agent, who can hold stocks, undertake contracts, and do other necessary work outside the scope of the ordinary commercial traveller.

Export Advertising. But personal representation is not alone sufficient. It must be backed up by specialised advertising even more than in the home market. The travelling commission agent, probably with a territory covering a million square miles or more, cannot at best make more than two or three round trips in the course of a year. In the necessarily lengthy intervals between his calls on individual buyers not only are "constant

reminders" required, but constant information of a stimulative kind concerning the firm's latest offers to its customers. The best vehicle for this is Press advertising, and as a general rule limited to an appeal to the wholesale trader. It is obvious that no firm can have sufficient capital to expend on placarding the entire globe. Only where a special market is concentrated on can broadcast advertising to the general public be attempted, and then it can only be justified in the case of a proprietary article which must either become a household word or nothing. Therefore, to secure the wholesale importer's interest must be the main object, especially in the earlier stages of an advertising campaign, and he has his recognised organs in which such advertising should appear. These are not necessarily, nor even usually, local publications, the mission of which is more generally to promote the interests of local industries in competition with imported goods. It is the export trade journal published in England which is essentially the vehicle of communication between the home manufacturer and the overseas importer, and the circulation which the prospective advertiser should demand of these is not so much one of magnitude as of quality. The journal which is most widely read by actual importers, even though their number is limited to a few thousands, is worth far more than one claiming an impossibly large and certainly fictitious circulation. The kind of "copy" which appeals is of the strictly business-like sort, neither cheaply smart nor respectably dull. The importer should be given information on such points as special shipping discounts, qualities which defy climatic influences, methods of packing to save freight, prospects of early delivery, and other similar selling points. A "popular" appeal is wasted on him, give him facts which touch his pocket. Such facts must also be put in simple dictionary language, avoiding British idioms and technical terms calculated to puzzle the foreign student of English. Sometimes the whole advertisement may be given in a foreign language when an issue is to be specially localised, and at all times a striking "message" in French or Spanish may be embodied in a firm's advertisements. Illustrations are, of course, a valuable factor in overcoming the language difficulty. It is almost invariably advisable for a manufacturer to do his principal export advertising from headquarters, entrusting only purely local advertising to his agents abroad.

Export Circulars and Catalogues. The efficiency of circulars and catalogues in placing a manufacturer in touch with importers abroad can undoubtedly be very great, but it depends entirely upon how they are drafted and circulated. With regard to the drafting of this class of advertising literature, it is only necessary to say here that no expense should be spared in providing good printing and substantial form to encourage filing for regular reference by the importer; that reading matter and prices should be in the language and currency of the market aimed at, cif or through rates being quoted, and illustrations should be freely used. (See also EXPORT CATALOGUES.) The cost of distribution through the post amounts to a substantial sum, and much waste is also inevitable unless special lists are obtained and constantly revised. Even in markets where good directories are obtainable, these are necessarily a year or more out-of-date in most cases, while the community of smaller traders is usually in a state of flux sufficient

to render the most up-to-date lists unreliable to a marked extent.

For the rest, success in getting into touch with overseas markets depends upon persistent effort on the lines indicated, backed up by a specialised factory service on which the agent abroad can rely to carry out his suggestions and instructions, and to give orders from his market as prompt attention as though he were on the spot to make his personal influence felt on departmental foremen. Above all, the manufacturer himself should give his own attention to the markets he serves, studying their special requirements, and visiting them periodically if possible.

FOREIGN MONEYS.—The coinages of all the principal countries of the world, as well as of the greater British Dominions beyond the seas, are given in the following table, and the approximate values of the various foreign or local coins compared with English money are stated, calculated to the nearest fraction, corrected to the date of the outbreak of the Great War in 1914. In 1919 and 1920 the fluctuations in the foreign exchanges became such that it was impossible to compare the values of the moneys of different countries, except for the very shortest periods. It is to be feared that many years will elapse before the former conditions are revived. For the latest movements as to the rate of exchange the *Post Office Guide* may always be usefully consulted.

The coinage and also the special coins used in parts of the British Empire other than the greater Dominions are noted whenever they are not identical with those of Great Britain.

Approximate
value in
English money
s. d.

Albania. No metallic currency.

Argentina. Monetary Unit — Peso
(paper) 1 9
Argentino (gold) of 5 Pesos 19 10

The circulating medium of Argentina (as of the majority of the South American countries) is mainly paper money of an inconvertible character. For smaller amounts there are silver coins of 1 Peso and also of 5, 10, 20, and 50 Centavos (1 Peso = 100 Centavos), nickel coins of 5, 10, and 20 Centavos, and bronze coins of 1 and 2 Centavos.

Australia. English coinage circulates throughout the Australian Commonwealth.

Formerly bank notes were issued by each of the six states which make up the Australian Commonwealth, but these were not always convenient as they did not pass current in the States in which they were not issued. Recently the note issue has been taken over by the Commonwealth Government, and the outstanding notes are current everywhere. They are, however, being gradually withdrawn, and new Commonwealth notes of the denominations of 10s., £1, £5, £10, £20, and £100, issued in their place.

English bank notes are at a discount of 1 to 2½ per cent.

Approximate
value in
English money.
s. d.

In addition to the series of Imperial coins, there are now also current special florins, shillings, sixpences, and three-pences in silver, of the same weights and composition as the Imperial coins of those denominations, with special designs. These coins were first issued in 1910. Special bronze coins, pennies and halfpennies, are also issued.

Austria and Hungary. Monetary Unit—Krone of 100 Heller. [The heller is also called filler.]

• Bronze	1 Heller	..	..	0	0½
"	2 "	..	..	0	0½
Nickel	—10 "	..	..	0	1
"	20 "	..	..	0	2
Silver	—1 Krone	..	..	0	10
"	5 Kronen	..	..	4	2
Gold	—10 "	..	..	8	4
"	20 "	..	..	16	8

Notes are (or were) issued by the Austro-Hungarian Bank for 10, 20, 50, 100, and 1,000 Kronen, and at present are at par with gold.

The silver Florin piece still circulates, and passes current as 2 Kronen.

The notes and all other coins of the Florin (or Gulden) issue have ceased to be legal tender.

Belgium. Monetary Unit—the Franc of 100 Centimes.

Bronze	—1 Centime	..	..	0	0½
"	2 Centimes	..	..	0	0½
Nickel	—5 "	..	..	0	0½
"	10 "	..	..	0	1
"	20 "	..	..	0	2
Silver	—50 "	..	..	0	4½
"	1 Franc	..	..	0	9½
"	2 Francs	..	..	1	7
"	5 "	..	..	4	0
Gold	—20 "	..	..	16	0

Notes are issued by the National Bank for 20, 50, 100, 500, and 1,000 Francs. Gold is at a slight premium. (See notes, under *France*.)

In the Congo State, the Franc is the coin mostly in use.

Belgium is a member of the Latin Union.

Bermuda. English money is legal tender, but American money is freely taken, especially at the hotels.

Bolivia. Monetary Unit—the silver Boliviano of 100 Centavos. 3 5
(The is most fluctuating in value.)

The nominal gold Boliviano is valued at about 4s.

There is a circulating medium for small amounts similar to that in use in Argentina. Paper money is that which is mostly current.

Approximate
value in
English money.
s. d.

Brazil. Monetary Unit—Milreis (paper)	1	3½
Gold—10 Milreis	22	5
Silver —2,000 Reis	2	8

In the South American Republics gold is invariably at a premium, and in most of them the circulating medium is principally inconvertible paper money.

British Guiana. In addition to the British coinage a special great of four-pence is in circulation.

British Honduras. The monetary unit is the gold Dollar, valued in British currency at 4s 14d, or 4 867 dollars to the pound. The gold coins of Great Britain and the United States are the common circulating medium—

Bronze	—1 Cent.	..	..	0	0½
Nickel	—5 Cents.	..	..	0	2½
Silver	—5 "	..	..	0	2½
"	10 "	..	..	0	5
"	25 "	..	..	1	0½
"	50 "	..	..	2	0½

British North Borneo. Monetary Unit—Dollar of the value of 2s. 4d.

The subsidiary coins are nickel—1, 2½, and 5 Cents— and bronze—½ and 1 Cent.

Bulgaria. Monetary Unit—Leva of 100 Stotinki. 0 9½

Except for the difference in names, there is a currency in use similar to that of France and Belgium.

Canada. Monetary Unit—1 Dollar of 100 Cents.

Bronze	—1 Cent	..	..	0	0½
Silver	—5 Cents	..	..	0	2½
"	10 "	..	..	0	5
"	25 "	..	..	1	0½
"	50 "	..	..	2	0½
"	1 Dollar	..	..	4	1½

The gold coins in circulation are the special Canadian ones of 10 dollars and 5 dollars. But British gold and the United States gold coins of 10 and 5 dollars are commonly current.

Notes are issued by the Government for 25 cents, \$1, \$2, and \$4, and by the various banks of Canada for \$5 and upwards, and are in general circulation.

Canary Islands. Spanish money is the currency in use. (See *Spain*.)

Ceylon. Monetary Unit—Rupee (100 Cents). 1

(The former value of the rupee, as it stood in 1914, was changed to 2s. in the early part of 1920.)

British gold is current, and there are silver coins of 10, 25, and 50 Cents, nickel coins of 5 Cents, and copper coins of ½, 1, and 5 Cents.

	Approximate value in English money.		Approximate value in English money.
	s. d.		s. d.
Chile. Monetary Unit—Peso (new) gold 1	4½	Gold—20 Markkaa	16 0
Peso (paper)	0 9½	Notes—per 100 Markkaa ..	80 0
Silver—(new) per Peso ..	0 10½		
Gold (Condor)	30 0		
(See note under <i>Brazil</i>)			
China. A new coinage is being estab-		France. Monetary Unit—the Franc of	
lished in China and will no doubt soon		100 Centimes	
come into full force. The unit is the		Bronze—1 Centime	0 0½
Yuan (dollar) of 100 cents, and its value		" 2 Centimes	0 0½
is 2s. 6d.		" 5 "	0 0½
Colombia. Monetary Unit—Peso of		" 10 "	0 1
100 Centavos	4 0	Nickel—25 "	0 2½
The value of the paper Peso is about	0 3½	Silver—50 "	0 4½
(See note under <i>Brazil</i>)		" 1 Franc	0 9½
Costa Rica. Monetary Unit—Gold		" 2 Francs	1 7
Colon of 100 Centesimos	1 11	Gold—5 "	4 0
Cuba. Spanish money still circulates,		" 10 "	8 0
but United States money is everywhere		" 20 " The " Napoleon,"	
accepted		or " Louis "	16 0
Cyprus. The monetary unit is the			
Piastre, the value of which is about 1½d.		Notes are issued by the Bank of	
British gold is the general circulating		France for 50, 100, 500, and 1,000	
medium, <i>i.e.</i> , in normal times. The		Francs.	
silver coins are of 3, 4, 9, and 18		The silver coins anterior to 1863,	
Piastres, and the bronze coins are of ½,		excepting 5 Franc pieces, are no longer	
¼, and 1 Piastre.		current; also all Papal coins, and the	
Czecho-Slovakia. No metallic currency		50 centime, 1 Lira, and 2 Lira coins of	
Denmark. (See <i>Norway</i>)		Italy.	
East Africa. The monetary unit is the		The gold and silver coins of France,	
Indian Rupee which is now valued at		Belgium, and Switzerland are current	
2s. 0d. The silver coins are those of 25		in each of these countries; also the	
and 50 Cents, whilst the nickel ones are		gold coins of Italy, and (except in	
of ½, 1, 5, and 10 Cents.		Switzerland) the Austrian gold coin of	
Ecuador. Monetary Unit—Silver Sucre		20 Francs (<i>i.e.</i> , a coin minted for	
of 100 Centavos	2 0	circulation in the Latin Union of the	
Egypt. Monetary Unit—Piastre of		value of 20 Francs). The Greek	
10 Millèmes		2 Drachmai, 1 Drachma, and 50 Leptá	
Copper—½ Millième	0 0½	pieces are no longer accepted in France,	
" 1 "	0 0½	Belgium, or Switzerland.	
Nickel—1 "	0 0½	Caution. South American Dollars,	
" 2 Millèmes	0 0½	Rumanian, Spanish, and Sicilian coins	
" 5 "	0 1½	are frequently passed on to travellers by	
" 1 Piastre	2½	unscrupulous persons in giving change.	
Silver—1 "	2½	Such coins do not circulate in France,	
" 2 Piastres	5	Belgium, Switzerland, or Italy, and are	
" 5 "	1 0½	worth considerably less than the current	
" 10 "	2 0½	coins.	
" 20 "	4 1	In the French colonial possessions of	
Gold—50 " ½£ = 10	2	Algeria, Madagascar, and Tunis, the	
" 100 " 1½£ = 20	3½	coinage is the same as in France. In	
Notes of 50 Piastres, 1½£, 5£, 10£, 50£, and 100£ are issued by,		Indo-China, the monetary unit is the	
the National Bank. English sovereigns		dollar of 100 cents, which is valued at	
are current throughout Egypt at 97½		3s. 4½d.	
Piastres; French 20 Franc pieces,		Germany. Monetary Unit—the Mark	
77 Piastres; Turkish Pounds, 87½		of 100 Pfennige	
Piastres.		Copper—1 Pfennig	0 0½
English bank notes are subject to a		" 2 Pfennige	0 0½
varying discount		Nickel—5 "	0 0½
Finland. Monetary Unit—Markka of		" 10 "	0 1½
100 Pennia	0 9½	" 20 "	0 2½
Silver—25 Pennia	0 2½	Silver—50 "	0 6
" 50 "	0 4½	" 1 Mark	1 0
" 1 Markka	0 9½	" 2 Marks	2 0
" 2 "	1 7	" 3 "	3 0
		" 5 "	5 0
		Gold—10 "	10 0
		" 20 "	20 0

[FOR]

AND DICTIONARY OF COMMERCE

[FOR]

Approximate
value in,
English money.
s. d.

Notes for 5, 10, 20, and 50 Marks are issued by the State, and notes for 100 and 1,000 Marks by the Reichsbank.

Various Banks in Bavaria, Saxony, etc., issue notes for 100 and 500 Marks. Thalers are now demonetised.

The exact normal value of the Mark is slightly under 1s., but for all practical purposes the statement in the text may be taken as accurate.

Greece. Monetary Unit—the Drachma of 100 Leptá 0 9½

The circulating medium of Greece consists principally of paper, notes being issued for 1, 2, 5, 10, 25, 100, 500, and 1,000 Drachmas, with copper coins of 5 and 10 Leptá and nickel coins of 5, 10, and 20 Leptá for the divisional money.

Recently a gold and silver metallic currency has been recommended, and when the circulation of gold becomes normal metallic coins as follows will be in use—

Silver— $\frac{1}{2}$ Drachma	0 4½
" 1 "	0 9½
" 2 Drachmas	1 7
" 5 "	4 0
Gold—20 "	16 0

Before the war the English sovereign and the French Louis were the gold coins usually employed.

Guatemala. Same as *Colombia*.

Guernsey. In addition to the British currency, this island has a special bronze coinage of its own—1, 2, 4, and 8 Doubles. The Double is of the value of $\frac{1}{4}$ d.

Haiti. Nominal Monetary Unit—Gold Gourde of 100 Centavos 4 0
Actual Monetary Unit—Paper Gourde 0 9

Holland. Monetary Unit—1 Gulden of 100 Cents.

Copper— $\frac{1}{2}$ Cent	0 0½
" 1 "	0 0½
" 2½ Cents	0 0½
Silver—10 "	0 2
" 25 "	0 5
" 50 "	0 10
" 1 Gulden (Guilder)	1 8
" 2½ "	4 2
Gold—10 "	16 8

Notes are issued by the Netherlands Bank for 10, 25, 40, 50, 60, 100, 200, 300, and 1,000 Gulden.

Honduras. Monetary Unit—Silver Peso of 100 Centavos 0

There are in circulation silver coins of 1, 5, 10, 25, and 50 Centavos.

Hong Kong. The monetary unit is the Dollar, which varies with the price of silver. In 1914 the coinage was as follows—

Notes—per Dollar	1 8½
Silver—per Dollar	1 6

In 1920 the values have been nearly trebled.

Approximate
value in
English money.
s. d.

There are also silver coins of 5, 10, 20, and 50 Cents, and bronze coins of $\frac{1}{2}$ and 1 Cent.

Hungary. (See *Austria*.)

India. Monetary Unit—Rupee of 16 Annas.

Bronze— $\frac{1}{2}$ Anna	0 0½
" 1 "	0 0½
Nickel—1 "	0 1
Silver—2 Annas	0 2
" 4 "	0 4
" 8 "	0 8
" 1 Rupee	1 4

Notes of the value of 5, 10, 20, 50, 100 Rupees and upward are in circulation.

Rate of exchange about 1s 4d. per Rupee. Sovereigns are current at 15 Rupees to the £, and are not subject to the fluctuation of exchange as is the case with English bank notes and drafts.

A Lac, or Lakh, equals 100,000 Rupees. 100 Lacs is a Crore.

A Pie is a unit of value equal to the 192nd part of a Rupee.

R. A. P.= Rupees, Annas, Pies.

(N.B.—The value of the rupee was changed to 2s. 6d. in the early part of 1920, and consequently the corresponding values of other coins have been altered.)

Italy. Monetary Unit—the Lira of 100 Centesimi

Copper—1 Centesimo	0 0½
" 2 Centesimi	0 0½
" 5 "	0 1½
" 10 "	0 1
Nickel—20 "	0 2
" 25 "	0 2½
Silver—1 Lira	0 9½
" 2 Lire	1 7
" 5 "	4 0
Gold—5 "	4 0
" 10 "	8 0
" 20 "	16 0

The money in general use is a paper currency in notes of 5, 10, and 25 Lire each, issued by the Government, and notes of 50, 100, 500, and 1,000 Lire issued by the following banks of issue: Banco d'Italia, Banco di Napoli, and Banco di Sicilia.

Gold is invariably at a small premium. Papal silver and all silver coins anterior to 1863, except 5 Lire pieces, are no longer current.

Only Italian silver coin should be accepted for use in Italy, as, although the 5 Francs French silver piece passes, the smaller silver coins of the Latin Union are not generally accepted.

The 25 Lire notes are still current, but are no longer issued.

Jamaica. In addition to the British coinage there are in circulation nickel-bronze pence, halfpence, and farthings.

			Approximate value in English money.	
			s.	d.
Japan.	Monetary Unit—Yen of 100	..	2	0½
Sen ..	..	..	0	0½
Bronze— 5 Rin	..	..	0	0½
" 1 Sen	..	..	0	0½
Nickel— 5 "	..	..	0	1½
Silver— 10 "	..	..	0	2½
" 20 "	..	..	0	5
" 50 "	..	..	1	0½
Gold— 5 Yea	..	..	10	2½
" 10 "	..	..	20	5½
" 20 "	..	..	40	11½

Java. Notes—per Gulden 1 8

Jersey. Like Guernsey, Jersey has a special bronze coinage—pence, halfpence, and farthings

Korea. Same as *Japan*, except that the name "Won" and "Chon" are substituted for "Yen" and "Sen"

Labuan. Same as *Hong Kong*.

Liberia. The Dollar of the United States is the coin in common use. There are also silver coins of 50, 25, and 10 Cents, and bronze coins of 2 and 1 Cents.

Luxemburg. The Franc is the monetary unit.

Madeira. Portuguese money is the currency in use. (See *Portugal*.)

Malta. The coin in use, in addition to the British coinage, is a bronze one of the value of one-third of a farthing.

Mauritius. The monetary unit is the Indian Rupee. There is a silver coinage in use, the coins being of the denomination of 10 and 20 Cents, and also a bronze coinage, with coins of 1, 2, and 5 Cents.

Mexico. Monetary Unit—Dollar or Peso 2 0
Owing to internal disorder the value is now much depreciated

Monaco. The monetary unit is the Franc.

Morocco. The monetary unit is the silver Piastre of 5 Francs.

Newfoundland. The monetary system is similar to that of Canada, and Canadian coins circulate freely.

New Zealand. English coinage circulates throughout New Zealand, and is the only legal tender.

English bank notes are at a discount of 1 to 2½ per cent

Nicaragua. Monetary Unit—Gold Cordoba of 100 Centavos

Nigeria. There are special silver coins of 2s., 1s., 6d., and 3d., and nickel-bronze of 1d., ½d., and ¼d.

Norway, Sweden, and Denmark. Monetary Unit—Krone of 100 Örer.

Copper— 1 Öre	..	..	0	0½
" 2 Örer	..	..	0	0½
" 5 "	..	..	0	0½

			Approximate value in English money.	
			s.	d.
Silver— 10 "	..	..	0	1½
" 25 "	..	..	0	3½
" 50 "	..	..	0	6½
" 1 Krone	..	..	1	1½
" 2 Kroner	..	..	2	2½
Gold— 5 "	..	..	5	6½
" 10 "	..	..	11	1½
" 20 "	..	..	22	3

Bank notes are also issued of 5, 10, 50, 100, 500, and 1,000 Kroner.

The coins pass freely in all three countries. The notes also circulate freely in the principal towns, but travellers are recommended to take into the interiors of these countries the notes of the respective country.

18 Kroner = £1.

Panama. The monetary unit is the gold Balboa of 2 Pesos, of the value of 4s. 2d.

Paraguay. Monetary Unit—Peso of 100 Centavos 4 0

Persia. Monetary Unit—1 Kran of 20 Shahis. 10 Krans = 1 Toman.

Present exchange, 50 Krans silver or paper = £1.

The coins in common use are the ½ Kran, 1 Kran, and 2 Krans, silver pieces. Gold is not in general circulation.

Peru. Monetary Unit—Sol (silver) .. 2 0
Gold—Libra 20 0

Poland. No metallic currency

Portugal. Monetary Unit—1 Escudo of 100 Centavos which replaces the old Milreis of 1,000 Reis

The new coinage is not yet fully issued, and the old Milreis coinage circulates for the present at its relative value as Centavos and Escudos as follows—

Bronze— 5 Reis = ½ Centavo	..	0	0½
" 10 " = 1 "	..	0	0½
" 20 " = 2 "	..	0	1
Nickel— 50 " = 5 "	..	0	2½
" 100 " = 10 "	..	0	5
Silver— 200 " = 20 "	..	0	10
" 500 " = 50 "	..	2	1
" 1,000 " = 1 Escudo	..	4	2

Notes of the new Escudo currency have not yet been issued, and the notes of 5,000 Reis and upwards, issued by the Bank of Portugal, still circulate at their relative values as Escudos.

Gold is at a premium of about 15 per cent, and is not in general circulation. The only gold coins are the old Milreis issue, and their value is as follows—

Gold—1 Milreis = 1 Escudo	..	4	5
" 2 " = 2 "	..	8	10
" 5 " = 5 "	..	22	2
" 10 " = 10 "	..	44	4

The equivalents shown in the above table are based on the nominal gold value, but the present value of an Escudo, silver or paper, is 3s. 9½d.

		Approximate value in English money. s. d.
Rumania.	Monetary Unit—Ley of	
100 Banis .. .. .	.. .. .	0 9½
Notes—per 100 Lei .. .. .	.. .. .	76 0

Russia.	Monetary Unit—Rouble of	
100 Kopeks.		
Copper— 1 Kopek .. .. .	.. .. .	0 0½
.. 2 Kopeks .. .. .	.. .. .	0 0½
.. 3 .. .. .	.. .. .	0 0½
.. 5 .. .. .	.. .. .	0 1½
• Nickel— 5 .. .. .	.. .. .	0 1½
.. 10 .. .. .	.. .. .	0 2½
.. 15 .. .. .	.. .. .	0 3½
.. 20 .. .. .	.. .. .	0 5
• Silver— 25 .. .. .	.. .. .	0 6½
.. 50 .. .. .	.. .. .	1 0½
.. 1 Rouble .. .. .	.. .. .	2 1½
Gold — 5 Roubles .. .. .	.. .. .	10 8
.. 7½ .. .. .	.. .. .	16 0
.. 10 .. .. .	.. .. .	21 4
.. 15 .. (Imperial) .. .. .	.. .. .	32 0

Notes of 1, 3, 5, 10, 25, 50, 100, and 500 Roubles are in circulation, and are at par with gold.

Russian notes as follows are now out of date and of no value—

100 Roubles dated before 1887.	
50	1869.
25	1888.
10	1893.
5	1895.
3 & 1	dated on back of notes.

Serbia.	Monetary Unit—Dinar of	
100 Paras .. .. .	.. .. .	0 9½
Slam.	Gold Tial of 100 Satangs	1 6½

South Africa. The coinage is the same as in England, English gold and silver being legal tender. Notes are issued by the principal South African banks under arrangement with the Government for 10s., £1, £5, £10, £20, and are legal tender throughout British South Africa.

English bank notes are at a discount of from 1 to 2½ per cent.

In Portuguese territory the Milreis (1,000 Reis), about 4s., is principally used.

Spain.	Monetary Unit—Peseta of	
100 Centimos		
Bronze— 5 Centimos .. .. .	.. .. .	0 0½
.. 10 .. .. .	.. .. .	0 1
Silver— 50 .. .. .	.. .. .	0 4½
.. 1 Peseta .. .. .	.. .. .	0 9½
.. 2 Pesetas .. .. .	.. .. .	1 7
.. 5 .. .. .	.. .. .	4 0
Gold — 20 .. .. .	.. .. .	16 0
.. 25 .. (Alfonso) .. .. .	.. .. .	20 0

Notes of 25, 50, 100, 500, and 1,000 Pesetas are issued by the Bank of Spain.

Gold is at a premium of about 10 per cent., and is not in general circulation.

The rate of exchange is very fluctuating.

All silver coins prior to 1869 are no longer current.

The equivalents shown in the table are based on the nominal gold value, but the present exchange for an English sovereign in Spanish notes and silver coin is 26·90 to 27·10 Pesetas.

Sweden. (See *Norway*.)

Switzerland. Monetary Unit—the Franc of 100 Centimes.

Bronze— 1 Centime .. .. .	.. .. .	0 0½
.. 2 Centimes .. .. .	.. .. .	0 0½
Nickel— 5 .. .. .	.. .. .	0 0½
.. 10 .. .. .	.. .. .	0 1
.. 20 .. .. .	.. .. .	0 2
Silver— 50 .. .. .	.. .. .	0 4½
.. 1 Franc .. .. .	.. .. .	0 9½
.. 2 Francs .. .. .	.. .. .	1 7
.. 5 .. .. .	.. .. .	4 0
Gold — 20 .. .. .	.. .. .	16 0

Notes of 50, 100, 500, and 1,000 Francs are issued by several Swiss banks under arrangements with the Government, and are available throughout Switzerland. Gold is generally at a slight premium.

The silver coins bearing the figure of Helvetia in a sitting position, with the exception of the 5 Franc piece, are not current, and realise only their value as silver. (See notes under *France*.)

Tripoli. Same as *Italy*.

Turkey. Monetary Unit—the Piastre of 40 Paras.

1 Piastre .. .. .	.. .. .	0 2½
20 Piastras = 1 silver Medjide .. .. .	.. .. .	3 7
100 .. = 1 gold Turkish £ .. .. .	.. .. .	18 0

The money most commonly used in Turkey by foreign travellers is the French 20 Franc piece.

Uganda. Same as *East Africa* (*qv*).

United States. Monetary Unit—1 Dollar of 100 Cents.

Copper— 1 Cent .. .. .	.. .. .	0 0½
Nickel— 5 Cents .. .. .	.. .. .	0 2½
Silver— 10 .. (Dime) .. .. .	.. .. .	0 5
.. 25 .. .. .	.. .. .	1 0½
.. 50 .. .. .	.. .. .	2 1
.. 1 Dollar .. .. .	.. .. .	4 2
Gold— 2½ Dollars .. .. .	.. .. .	10 5
.. 5 .. .. .	.. .. .	20 10
.. 10 .. (Eagle) .. .. .	.. .. .	41 8
.. 20 .. .. .	.. .. .	83 4

Notes, Greenbacks, Gold Certificates, Silver Certificates, and National Bank Notes are issued in amounts of 1, 2, 5, 10, 20, 50, 100, 500, 1,000 dollars and upwards, and circulate at par with gold.

Uruguay. Monetary Unit—Peso 4 2

Venezuela. Monetary Unit—Gold Bolivar of 100 Centavos 0 9½

Yugo-Slavia. No metallic currency.

The Latin Monetary Union consists of those

countries which have adopted the same standard coin, though called by different names, equal in value to the franc.

The countries which have joined the Union are: Belgium, France, Greece, Italy, and Switzerland.

The countries which have adopted the same system, but which have not joined the Union, are: Finland, Rumania, Servia, and Spain.

FOREIGN MONEY ORDERS.—These are money orders issued by the Post Office for the transmission of sums abroad. [See MONEY ORDERS.]

FOREIGN TELEGRAMS.—Telegrams despatched or received from places outside the United Kingdom. [See TELEGRAMS.]

FOREIGN TRADE.—The commerce which is carried on by traders in different countries.

FOREIGN WEIGHTS AND MEASURES.—

Argentina.—The metric system (*qv*) is in use.

Austria and Hungary. The metric system is in use. The names, however, of the weights and measures are the same as those used in Germany.

Belgium. In this country, too, the metric system is in use, and the names of the various weights and measures are the same as those used in France with the following exceptions: The kilogram is called the *livre*, the litre the *litron*, and the metre the *anne*.

Bolivia. See *Chile*.

Brazil. In addition to the metric system, there are certain weights and measures in use which are derived from the old Portuguese. The principal are the following—

(a) *Length*: the covada = 26.247 in., and the vara = 3.64 ft.

(b) *Weight*: the arratel = 1.0118 lb., the arroba = 32.384 lb., and the quintal (100 arratel) = 101.18 lb.

(c) *Capacity*: the almude = 3.684 gals., and the alquere = 1.1 bushels.

Bulgaria. The metric system is in use.

Central America. In addition to the metric system, the weights and measures of old Spain are in common use. (See *Spain*.)

Chile (and also *Bolivia*). Same as Central America.

China. At Hong Kong and the other treaty ports the British weights and measures are in use. The principal native weights and measures are as follows—

(a) *Length*: the fan or fun = 1.41 in., the tsun = 1.41 in., the chih = 1.41 in., the chang = 141 in., and the yin = 1,410 in. = 117.1 ft.

(b) *Weights*: the tael or leang = 4 oz., the cattie = 1½ lb., and the tan or pical = 133½ lb. The English hundredweight is equal to 84 catties.

(c) *Capacity*: the ho = 2 pts., the sheng = 20 pts., and the ton = 100 pts.

Denmark. (a) *Length*: the tomme = 1.029 in., the fod = 1.029 ft., the alen = 2 fod, the faven = 6 fod, the rode = 12 fod, and the mul = 2,000 roder or 4,6805 English miles.

The tønne (a measure of area), or the tonde land (14,000 sq alen) = 1.363 English acres.

(b) *Weight*: the pund = 1.102 lb., and the centner = 100 lb. The pund is subdivided into 16 unser and 32 lod.

(c) *Capacity*: the pob = 1.69 pts., the kande = 2 potter, the viertel = 4 kande, the skeppe = 18 potter, the fjerdingkar = 2 skepper, the tønne = 4 fjerdingkar, and the læst = 12 tønner. The læst is about equal to 45.87 English bushels, and, therefore, the tønne is the equivalent of 3.82 bushels. The anker is a measure of 39 potter, and equal to 8.29 English imperial gallons.

Egypt. (a) *Length*: the kirat = 1.1 in., the

rub = 6 kirats, the pik = 4 rubs, and the gasab = 4 piks. The gasab is, therefore, about equal to 2.88 English yards.

The feddan is a square measure, and is equal to 400 sq. gasab, that is, nearly ½ of an acre.

(b) *Weight*: the rottolo = 1 lb. nearly, the oke = 2.7 lb., and the cantar (or 100 rottoli) = 99 lb. nearly.

(c) *Capacity*: the ardeb is a grain measure, which varies considerably, according to the grain measured. At Cairo it is equal to about 5 bushels.

Finland. The metric system is in use.

France. The metric system is in use.

Germany. The metric system is that in use, but the names given to the various weights and measures are as follows—

<i>German.</i>	<i>Metric system.</i>
Stab.	Metre.
Strich.	Centimetre.
Neuzoll.	Millimetre.
Kette.	Decametre.
Kanne.	Litre.
Schoppen.	Half-litre.
Fass.	Hectolitre.
Neuloth.	Decagramme.

There are also the weights called the pfund, which is equal to 500 grammes, or 1.1023 lb., the centner = 100 pfund, and the tonne = 2,000 pfund. The centner, therefore, is rather less than a hundredweight (110.231 lb.), and the tonne is equal to 19.6842 cwt. In Prussia a mile = 2,000 ruthen or 4.6807 English miles, a zoll = 1.03 in., and an ell = 25½ zoll or 2.1882 ft. In Brunswick, a mile is equal to 6.714 English miles, and in Saxony its length is 4.2227 English miles. There is also in Prussia the square measure of the morgen, which is equal to .631 English acres. In Hamburg the measure of the same name is equal to 2.3895 English acres.

Greece. In this country the metric system is in use, but the names used are as follows—

<i>Grecian.</i>	<i>Metric.</i>
Pecheus.	Metre.
Palame.	Decimetre.
Daktylos.	Centimetre.
Gramme.	Millimetre.
Stadion.	Kilometre.
Skionis.	Myriametre.
Strenna.	Are.
Litra.	Litre.
Kotyle.	Decilitre.
Mystion.	Centiutre.
Kybos.	Millilitre.
Kolon.	Hectolitre.
Drachme.	Gramme.
Obolos.	Decigramme.
Kokkos.	Centigramme.

In addition, there are the mera = ¼ kilogramme, the tonos = 29.526 cwt., and the oke = 2.84 lb.

Holland. The metric system is in use, but the names used are as follows—

<i>Dutch.</i>	<i>Metric.</i>
El.	Metre.
Palm.	Decimetre.
Duim.	Centimetre.
Streep.	Millimetre.
Roede.	Decametre.
Mijle.	Kilometre.
Kan.	Litre.
Maatje.	Decilitre.
Vingerhoed.	Centilitre.

<i>Dutch.</i>	<i>Metric.</i>
Vat.	Hectolitre.
Wigtje.	Gramme.
Korrel.	Decigramme.
Lord.	Decagramme.
Onze.	Hectogramme.
Pond.	Kilogramme.
Bunder.	Hectare.

The old pound = 1·088 lb.

Italy. The metric system is in use, but the names are as follows—

<i>Italian.</i>	<i>Metric.</i>
Metro.	Metre.
Decimetro.	Decimetre.
Centimetro.	Centimetre.
Millimetro.	Millimetre.
Decametro.	Decametre.
Ettometro.	Hectometre.
Chilometro.	Kilometre.
Miriometro.	Myriametre.
Ara.	Are.
Centiare.	Centiare.
Ettare.	Hectare.
Litro.	Litre.
Decalitro.	Decilitre.
Decalitro.	Decalitre.
Ettolitro.	Hectolitre.
Chilolitro.	Kilolitre.
Gramma.	Gramme.
Decigramma.	Decigramme.
Centigramma.	Centigramme.
Milligramma.	Milligramme.
Decagramma.	Decagramme.
Ettogramma.	Hectogramme.
Chilogramma.	Kilogramme.
Miriagramma.	Myriagramme.

Japan. (a) *Length*: the shaku, which is about a foot, the ken = 6 shaku, the to = 60 ken, and the ri = 36 to. The ri is, therefore, about 2½ English miles. The square to = 2·4507 English acres.

(b) *Weight*: the kin, which is divided into 160 momme, equivalent to 1·3251 lb., the kwan (6½ kin) = 8·2817 lb., and the tan = 100 kin.

(c) *Capacity*: the shoo = 397 gals., or 0·496 bushels, the to = 10 shoo, and the koku = 10 to.

Mexico. The metric system is in use, but the old Spanish weights and measures are still in existence.

Norway. The metric system is in use.

Persia. (a) *Length*: the guz or zer is a measure which varies from 36 to 44 in., and the parasang = 4½ miles.

(b) *Weight*: the muskal = 47·5 grains, and the maund = 6½ lb.

(c) *Capacity*: the chenica = 289 gals., the capicha = 2 chenicas, and the artata = 1·809 bushels.

Peru. The old Spanish weights and measures are in use.

Portugal. The metric system is in use.

Rumania. The metric system is in use.

Russia. (a) *Length*: the vershok = 1½ in., the stopa = 8 vershok, the arshine = 2 stopa, the sashén = 3 arshine, and the verst = 500 sashén. The verst is, therefore, equal to 1168·6 yards, or 663 of an English mile. The Lithuanian mile = 5·56 English miles. The dessiatine is a square measure equal to 2,400 square sashén or 2 acres, 2 roods, 32 poles.

(b) *Weight*: the funt = 9026 lb., the pud = 40 funt, the berkovitz = 10 puds, and the packen = 3 berkovitz. The packen is, therefore, about equal

to 1083 lb. The funt is subdivided into 12 lanas, or 32 lotti, or 96 zolotnicks.

(c) *Capacity*: the tscharkey = 27049 gals., the vedro = 100 tscharkeys, the anker = 8·114 gals., the chetvort = 46·2 gals., and the sarokowaja = 108·196 gals.

Serbia. The metric system is in use.

South American States. Except as separately noticed, the metric system is that commonly in use.

Spain. The metric system is in use, and the names used are the same as in that system, except that the last letter of each weight and measure ends in *o* instead of *e*, e.g., metro, litro, gramo. The word *are* is changed into *area*.

The old Spanish weights and measures which are still in use in some parts of Central and South America were as follows—

(a) *Length*: the Spanish foot = 10·958 in., and the vara = 2·782 ft. The square measure the fanegada = 1½ acres.

(b) *Weight*: the onza = 0·63 lb., the libra = 1·1014 lb., and the quintal = 100 libra, or 110·143 lb.

(c) *Capacity*: the cuartillo = 0·11 gals., the azumbre = 4 cuartillos, the cuartilla = 2 azumbres, and the arroba mayor = 4 cuartillos. The arroba mayor is, therefore, equal to about 3·55 gals.

Sweden. The metric system is in general use, but some of the old measures and weights used in Denmark are still to be found, e.g., the tomme of 1·029 in., the alen, which is equal to 24 tommes or 24·714 in.; the lod is rather more than ½ oz., and the pund = 1·102 lb. An English hundredweight = 102 Swedish punds.

Switzerland. The metric system is in use. There is also the weight known as the pfund = 1·1023 lb. The pfund is divided into 16 unzen or 32 loths. The standard of length is the foot of 3 decimetres = 11·811 in.

Turkey. The metric system is in use, but the names applied are as follows—

<i>Turkish.</i>	<i>Metric.</i>
Arshin.	Metre.
Oke.	Kilogramme.
Cantaro.	100 kilogrammes.
Chequee	1,000 kilogrammes.

United States. The English imperial weights and measures are generally used, but there are also still in existence certain measures known as the old Winchester measures. These are as follows—

(a) *Liquid*: the pint and gallon are equal to 833 of the imperial pint and gallon. These apply to wines and spirits. A pint of beer = 1·017 pts.

(b) *Dry*: the pint, gallon, bushel, and quarter are equal to 969 of the same imperial measure.

FORESTALLING.—This is generally taken to mean any particular advantage which one person obtains in a market over another. In England, at one time, it was an offence for a person to buy up goods whilst they were on their way to market, for the purpose of obtaining higher prices from the retail buyer through having secured for the time being a monopoly in the same. This offence was called forestalling. It was abolished by an Act of Parliament passed in 1844.

FORFEITED SHARES.—This is a power given to boards of directors to penalise defaulting shareholders who fail to meet an instalment which falls due upon shares allotted to them. The machinery to be employed by the chairman or secretary of a company having recourse to such means is usually fully provided for in the articles of

association regulating the company's procedure. Each step, however, requires the closest and most careful attention, and the least irregularity may render the forfeiture void, with the result that the officials of the company may quite conceivably be held personally liable in damages.

It must be assumed that there is no reasonable doubt that the defaulting shareholder has not received the notice of call or calls having been made. Some steps should be taken before proceeding to be assured of the shareholder's place of abode, or that the notices have not been returned through the post. Thus assured, it becomes the duty of the secretary to write to the shareholder with an intimation that if the instalments are not paid by a certain specified date, a minimum lapse of time being usually provided for under the company's articles, the shares will then become liable to forfeiture, the letter being sent by registered post as an extra precaution against miscarriage. Where this appeal has not met with any response, a second notice will be sent in the same manner drawing attention to the first appeal, and mentioning the Board's intention to forfeit the shares standing in his name or such as are in default, with a reminder that he will, nevertheless, remain liable for the unpaid call, notwithstanding the fact that he may cease to be the holder of the shares. If payment is still withheld after the date specified in the second notice, it then becomes necessary for the secretary or director to appear before a Commissioner for Oaths to make an affidavit setting out the following—

1. That the declarant is either the secretary or a director of the company
2. That the usual notices have been posted as to the calls having been made, such calls being in pursuance of conditions set forth in the prospectus or other document dealing with the issue of the shares, or that the call has been made by resolution of the directors, as provided for in the powers given them in such matters
3. That two notices, specifying the date of each, were sent through the post, the posting of which could be testified by registered letter receipts containing the address of the defaulter, and that up to that time neither call notices nor registered letters have been returned by the postal authorities.
4. That the instalments or calls in question, nor any part thereof, have been received in payment.
5. That due notice had been given of the Board's intention to render the shares forfeit and of their intention to re-issue the said shares in any manner they may deem expedient, and, further, if the shares have already been re-issued, the name of the persons or person in whom the shares now stand must be stated, and that the directors have acted in manner under powers conceded to them by certain specified clauses in the company's articles of association.

It is important to note here that the power with which directors are invested in regard to these matters must only be employed for the purpose for which these provisions have been framed. Instances have been known where directors have improperly made use of these powers by attempting to get rid of an unwelcome name on the register of members, and where forfeiture was wholly unwarrantable. The clauses of Table A, which forms the first schedule to the Companies (Consolidation) Act, 1908, dealing with this question (Nos. 24-30 inclusive)

are very precise and to the point. They are framed solely for the purpose of affording boards of directors the opportunity of inflicting a penalising measure to defaulters on the register of members, and these powers cannot be invoked for any other purpose.

It is competent for the directors to dispose of shares which have been surrendered or rendered forfeit in the manner above described, in any way they think fit, but the forfeiture must always be carried out by means of a resolution passed by the directors at a meeting properly convened and when a quorum is present. Upon the date of forfeiture, the member so surrendering his shares ceases to be a member in virtue of the shares so forfeited, but he, nevertheless, remains liable for the moneys due upon those shares and the directors may take such action as they think fit for the purpose of obtaining payment. It should be noted by Clause 30 of Table A, though this may not apply to all companies unless incorporated in their articles of association, that shares are liable to forfeiture through non-payment of a premium, in the same manner as for shares issued at par.

In the financial books entries must be made to deal with the alteration caused by the forfeiture in the issued capital account, and a new account must be created dealing with the value of the shares forfeited, or the amount so forfeited on those shares, the issued capital account being reduced to the full nominal value of those shares. To accomplish this, a journal entry similar to the following will be necessary—

Share Capital,	Dr.
To Forfeited Shares Account	
„ Call Account.	

This entry will reduce the share liability to the extent of the nominal value of the shares forfeited, at the same time eliminating the debit balance for calls unpaid, and creating a new liability in the shape of forfeited shares. This latter liability is something of a misnomer, inasmuch that it cannot be claimed by anyone, but the company must nevertheless show this item separately in all succeeding balance sheets, as it must not be assimilated with profit and loss, reserves, or capital accounts.

When the Board decide to re-issue the shares which have been surrendered, the issued share capital account is credited, and the person to whom the shares have been allotted will be debited with the amount still due upon them, in addition to a premium which the directors might impose to make the payment of the new allottee equivalent to the current value of the shares. Where re-issues take place, the forfeited shares account is debited, the operation being represented by the following formula—

Forfeited Shares Account,	Dr.
Shareholders (Personal Account),	Dr.
Premium on Shares Account,	Cr.
Share Capital Account,	Cr.

the effect of this entry being to re-establish the issued capital account at its former amount, and a permanent liability in the shape of premiums on shares, instead of a forfeited shares account, as mentioned above, which would be eliminated by this latter entry, the debit made to the shareholders' personal account being made by a payment in cash and so balanced.

Particulars of shares forfeited are required to be given in the annual summary [q.v.].

FORFEITURE.—Formerly, when a person was convicted of a felony (q.v.), but not of a misdemeanour (q.v.), forfeiture of land and goods followed the conviction, but this severe penalty was finally abolished by a statute passed in 1870 in all cases except outlawry, and as outlawry is practically extinct, so forfeiture of goods and lands has become obsolete, as far as a general seizure of the whole of the same is concerned. But there are many statutes in force which impose forfeiture of special goods to which certain offences relate. Thus, if an attempt is made to smuggle tobacco or certain other goods which are liable to customs duties, not only is the smuggler subject to penalties, but forfeiture of the goods follows as a matter of course. Also for offences against the game laws and fishing, the offender is subjected to the forfeiture of any implements which he has in his possession for the carrying out of his purpose, such as snares, nets, etc.

In Scotland, forfeiture of movables still exists if a person is sentenced to death, or is convicted of certain crimes.

As to land alone, forfeiture to the Crown may still take place in case of an alienation in mortmain [q.v.], but this rarely happens.

Much more important, from a business point of view, is the case of forfeiture as between landlord and tenant, when a lease is liable to be forfeited for a breach of any of the covenants contained in the lease. Formerly this forfeiture worked great hardship in many cases, but by reason of the Conveyancing Acts of 1881 and 1892, the court now has power to grant relief against forfeiture, under certain procedure and subject to certain conditions being complied with by the tenant, in all cases except the following: (1) A covenant on the part of the tenant or lessee against underletting or assignment without the licence of the landlord; (2) a condition for forfeiture upon the bankruptcy of the tenant or lessee, or upon the taking possession of his interest under an execution which is enforced more than a year after the bankruptcy; (3) a covenant contained in a mining lease giving the lessor the right of access to and inspection of the premises, books, etc. Forfeiture of a lease takes place also if a tenant sets up a title to the property adverse to that of the landlord.

FORGED TRANSFERS.—The seller of registered stock or shares has not completed his bargain until he has delivered a transfer duly executed by the registered proprietor; and if by any chance the transfer he delivers is a spurious one, the signature of the transferor being a forgery, it is, of course, not a good delivery. In the ordinary way, if a company or the agents appointed by a Government, municipality, or company, as the case may be, give effect to a forged transfer, the transferor out of whose name the stock has been wrongfully transferred has recourse against such company or transferring agent. With a view to protecting purchasers of stock and shares from loss through forged transfers, the Forged Transfers Acts, 1891 and 1892, were passed. The adoption of these Acts is not compulsory on companies, though many, and practically all the railway companies, have placed themselves under the provisions of the Acts, the principal provisions of which are—

"(1) Where a company or local authority issue or have issued shares, stock, or securities

transferable by any instrument in writing, or by an entry in any books or register kept by or on behalf of the company or local authority, they shall have power to make compensation by a cash payment out of their funds for any loss arising from a transfer of any such shares, stock, or securities in pursuance of a forged transfer or of a transfer under a forged power of attorney, whether such loss arises, and whether the transfer or power of attorney was forged before or after the passing of this Act, and whether the person receiving such compensation, or any person through whom he claims, has or has not paid any fee or otherwise contributed to any fund out of which the compensation is paid. (The words 'whether such loss, etc.' were added by the 1892 Act.)

"(2) Any company or local authority may, if they think fit, provide either by fees not exceeding the rate of 1s. on every £100 transferred, with a minimum charge equal to that for £25, to be paid by the transferee upon the entry of the transfer in the books of the company or local authority, or by insurance, reservation of capital, accumulation of income, or in any other manner in which they may resolve upon, a fund to meet claims for such compensation. (The words 'with a minimum charge equal to that for £25' were added by the 1892 Act.)

"(3) For the purpose of providing such compensation, any company may borrow on the security of their property, and any local authority may borrow with the like consent and on the like security and subject to the like conditions as to repayment by means of instalments or the provision of a sinking fund, and otherwise as in the case of the securities in respect of which compensation is to be provided, but any money so borrowed by a local authority shall be repaid within a term not longer than five years. Any expenses incurred by a local authority in making compensation, or in the repayment of, or the payment of interest on, or otherwise in connection with, any loan raised as aforesaid, shall, except so far as they may be met by such fees as aforesaid, be paid out of the fund or rate on which the security in respect of which compensation is to be made is charged.

"(4) Any such company or local authority may impose such reasonable restrictions on the transfer of their shares, stock, or securities, or with respect to powers of attorney for the transfer thereof, as they may consider requisite for guarding against losses arising from forgery.

"(5) Where a company or local authority compensate a person under this Act for any loss arising from forgery, the company or local authority shall, without prejudice to any other rights or remedies, have the same rights and remedies against the person liable for the loss as the person compensated would have had."

FORGERY.—This offence, which is of the gravest import in a commercial community, has been defined as the fraudulent making or alteration of any document by a person with the intention of prejudicing another person.

Various statutes have been passed at different times by which forgery has been constituted a felony, but where there is no particular statute applicable to the special offence of forgery complained of, the forgery is a misdemeanour at common law, and any person found guilty of the offence

is liable to be punished criminally. Thus, a forged testimonial as to the character of a person is a common law forgery.

Speaking generally, a document which is forged is absolutely valueless, as no person can obtain any rights whatever through the same. See the articles on FORGED TRANSFERS, FORGERY (BILLS, CHEQUES, AND NOTES), in which the commercial aspect of this offence is dealt with.

FORGERY (BILLS, CHEQUES, AND NOTES).—

The important part that negotiable instruments play in commerce makes it essential that the greatest care should be given to maintain the genuine character of the documents. Much of what is contained in the present article is applicable to negotiable instruments other than bills, cheques, and notes, although these alone are here specially dealt with.

By Section 24 of the Bills of Exchange Act, 1882, it is provided—

"Subject to the provisions of this Act, where a signature on a bill is forged or placed thereon without the authority of the person whose signature it purports to be, the forged or unauthorised signature is wholly inoperative, and no right to retain the bill or to give a discharge thereof against any party thereto can be acquired through or under that signature, unless the party against whom it is sought to retain or enforce payment of the bill is precluded from setting up the forgery or want of authority. Provided that nothing in this Section shall affect the ratification of an unauthorised signature not amounting to a forgery."

In connection with this Section it is necessary to bear in mind the estoppels (*q.v.*) which bind the acceptor and the indorser of a bill. These are dealt with in the separate articles headed ACCEPTOR and INDORSER. It must also be remembered that bankers are specially protected in the case of forged indorsements of cheques, when those cheques are drawn on their own banks. This is referred to hereafter. It is necessary to bear these matters in mind, since it will be noticed that the Section is "subject to the provisions of the Act."

For the present purpose, forgery may be defined as the fraudulent making or alteration of any document with the intention of prejudicing another person, and the offence has been made a felony by statute. It is the intent to defraud which makes the offence so grave, and if the intent is negatived there is no forgery. There are many ways in which forgery can be committed, the discussion of which belongs properly to the criminal law, and the present article is confined to the consideration of the civil liabilities that arise in the cases where signatures are fraudulently placed upon a bill, whether as drawer, acceptor, or indorser (or, in the case of promissory notes, as maker or indorser), and where signatures are fraudulently placed on cheques. Finally, a short notice is given of forged bank notes.

It is to be borne in mind that the names of various parties are obtained in connection with bills and cheques, if they pass through various hands, in order to make them liable upon the instruments. Directly the name of any person is found upon a bill or a cheque, he is *prima facie* responsible for the payment of the instrument. It is of the utmost importance, therefore, that the greatest possible protection should be afforded when a name has been forged, or when a signature has been affixed without any authority. "A

forged signature is wholly inoperative." It cannot be ratified.

The holder of a bill, even though he is a holder in due course (*q.v.*), has no right to retain a bill which bears a forged signature, he cannot give a discharge for it, and he cannot sue upon it. But in order that these rules may operate in their entirety, the holder must have taken the bill "through or under" the signature, i.e., the signature must have been a necessary part of the instrument, so as to pass it from the last possessor to the holder. This presents no difficulty if it is the signature of the drawer or of the acceptor which is forged. The bill is valueless in either of these cases. But it is not always so where an indorsement is forged. It depends entirely upon whether the bill is specially indorsed (*q.v.*) or indorsed in blank (*q.v.*). So long as the bill remains specially indorsed, the signature of the person to whom or to whose order the bill is negotiated must be a genuine one, for a title to the bill can only be made "through" the indorsement. But if the bill is indorsed in blank, the signature of the transferor is not necessary to pass the title to the transferee. (See INDORSEMENT.)

This is not always easy to follow, as every careful business man requires the immediate transferor of a bill to indorse the same, so that he may be held responsible in case the bill is not met. The additional name is, in fact, an added security. But the statement goes further. If the signature is a necessary one and it is forged, no title to the bill can be made through it. If it is not necessary to pass the bill and yet is on it, the forged signature does not affect the title of the holder. He does not hold "through or under" the signature.

The liability to loss through forgery should render the person who takes a bill of exchange extremely cautious as to the identity of his transferor and the genuineness of his signature. Bills should not be taken indiscriminately from strangers. If such transferor is a man of substance, and he has actually signed the bill himself, the holder will be protected in case any of the previous signatures turn out to be forgeries, as he can sue the transferor upon the consideration (*q.v.*). The indorser enters into certain engagements by indorsing the bill, and is estopped from denying certain facts, including the genuineness and regularity in all respects of the drawer's signature and all previous indorsements. (See INDORSER.) If, however, a holder does manage, in spite of a forgery, to obtain the amount of the bill, he cannot retain the money. The bill is not discharged, and the true owner may compel the person who has paid the bill to give it up, and such person has a right over as against the holder who has been wrongfully paid. In the ordinary course of events it is the acceptor who meets the bill at maturity. If, then, payment is made to a holder of a forged bill by the acceptor, and the bill is delivered up, the rightful owner can demand the bill back and can sue the acceptor either on the instrument or on the consideration. The acceptor will then have a right of action against the holder for what is called "money had and received," or for conversion of the bill. It will then be the turn of the holder to seek his remedy against his transferor. The transferor will then proceed against his own transferor, and so on. Last of all the indorser or other person who took *through* the forged indorsement will come into possession of the bill, and his remedy will generally be of no avail. It will have been observed that the rightful owner of a bill

which has been forged with the owner's signature has his first right of action against the acceptor, if the acceptor has paid the bill. If it happens that the acceptor has paid the holder, and the holder cannot be found, it is the acceptor who is the sole loser. There is no one against whom he can proceed.

As far as a bill or a promissory note is concerned, a banker is in no better position than any other person if he pays under a forged indorsement, though he is protected, as is shown later, if he pays a bill on demand drawn upon himself, *i.e.*, a cheque, bearing a forged indorsement. Bills are very frequently made payable at banks. A banker should, therefore, make special arrangements with his customers so as to minimise his chances of loss. If he fails to do so, and pays a bill bearing a forged acceptance or a forged indorsement, he cannot charge his customer with the amount paid. It is a banker's duty in the case of bills to see that all the indorsements are genuine—the signature of the acceptor is, of course, known to him in the ordinary way. He is not bound, however, to inquire into the genuineness of the signature of the drawer, as the acceptor himself, by the act of accepting, is estopped from denying the genuineness of the signature of the drawer. (See ACCEPTOR.) A banker who has paid a forged bill must give immediate notice to the holder whom he has paid that the bill is a forgery, so that such holder may at once proceed to recover against antecedent parties, not on the bill, for that is valueless if he obtained possession "through" a forged signature, but upon the consideration for which the bill was taken.

It would appear that there is no possibility of relief being granted in these cases of forgery, except where the party against whom such relief is sought is precluded by his own conduct from setting up the fact of the forgery as a defence. As it was pointed out above, a forgery cannot be ratified, and its existence renders the bill *prima facie* valueless. Thus, in an old case, a bill bearing a forged acceptance was negotiated to a holder in due course. The holder discovered the forgery and threatened to prosecute the forger, but was prevailed upon not to do so by the acceptor who wrote him a letter, stating: "I hold myself responsible for the bill . . . bearing my signature." It was held that the acceptor was not liable on the bill, as the forgery of his signature could not be ratified. But where an acceptance was really forged, and the holder in due course having been informed that such was the case, wrote to make inquiries of the acceptor about it, and the acceptor replied that the signature was genuine, it was held that his conduct was such as to preclude him from setting up the forgery in an action on the bill. As to the other grounds of defence, through negligence, etc., each case must depend upon its own facts, and it will be a question for a jury to state what is the nature of the whole transaction, and for the court to decide upon the liability resting upon the parties to the bill upon the jury's findings. In order to prevent difficulties arising, the court will restrain by injunction the negotiation of a bill held under a forged signature, or order it to be given up for cancellation. Also a defendant who believes that a bill is forged may at any time, by notice in writing, require the bill to be produced for his inspection.

The danger and the loss that may arise from forgery only tend to emphasise the need of precaution in accepting a bill or a cheque. If the bill

or cheque bears a large number of indorsements, the transferee should decline to accept it unless he is acquainted with the signatures themselves, or obtains the indorsement of his immediate transferor, knowing him to be a man of sound financial standing and fully able to pay the amount of the instrument if it turns out to be irregular in any fashion.

The civil liability has alone been considered here. Of course, if the actual forger, or any person who has assisted in the forgery is discovered, he may be prosecuted and convicted for the felony.

Closely connected with a forged signature is an unauthorised signature, and the consideration of the latter naturally falls within the scope of the present article. A forged signature must be distinguished from an unauthorised signature, though the effect of the two is the same, in the absence of a ratification of the unauthorised signature. Every forged signature is, of course, unauthorised, but it does not follow that every unauthorised signature is a forgery. For example, a member of a partnership firm may sign a bill in the firm's name. He may have authority to sign the name, but he may also have no authority to sign bills. It is then a question of fact as to whether a bill so signed bears an authorised signature or not. It must always be remembered that a person who takes a bill bearing a procuration signature must be on his guard, and inquire as to the circumstances under which the authority to sign has been given. It is not necessary that the authority should be given in writing.

This necessity for carefulness is specially provided for by Section 25 of the Bills of Exchange Act, 1882, which is as follows:—

"A signature by procuration operates as notice that the agent has but a limited authority to sign, and the principal is only bound by such signature if the agent in so signing was acting within the actual limits of his authority."

Two illustrations may make the point as to unauthorised signatures clearer. A, a partner in a trading firm, fraudulently accepted a bill in the firm name for a private debt of his own. It was negotiated to a holder in due course. In an action on the bill it was held that the firm was liable under A's signature. Any member of a trading firm may sign on behalf of the other members, and unless there are suspicious circumstances connected with the case, the firm must take the consequences. On the other hand, where a partner fraudulently indorsed a bill in the firm name to a person who afterwards received payment from the acceptor, such person being aware of the fraud, it was held that the money was recoverable. The remarks made in connection with forgery as to payment being made through or under the signature must be borne in mind. The fact that there is a signature on a bill which is not authorised is not sufficient to render it valueless. It must be such a signature as is necessary in order to give the holder a title to the bill itself. The chief difficulty which may arise, however, is where an incomplete instrument has been given, and a definite authority imposed as to the manner in which the document is to be filled up. (See INCHOATE INSTRUMENT.) If the person to whom an inchoate document is delivered exceeds his authority, he becomes liable to the person whose signature he has obtained for any loss arising through such excess of authority. But, if the bill is transferred to a holder in due course, there is no defence to an action upon it. The wording of the bill may be unauthorised, but

the signature is neither a forgery nor is it unauthorised, and the holder has a perfectly good title. The latter portion of Section 24, quoted above, specially provides that an unauthorised signature, not amounting to a forgery, may always be ratified. This is in accordance with the general law of agency.

As to a cheque, a tradesman or other person who takes a cheque bearing a forged signature is in just the same position as if he takes a bill which has been similarly dealt with. He has no title to the cheque, and his only remedy is against his immediate transferor—if he can discover him. If he has obtained payment of the cheque, he must refund the amount to the true owner. With a banker, however, the case is different, but only by statute, for otherwise the business of the world could not be carried on. There is no hardship in this. A tradesman is not compelled to take a cheque which is not drawn by his own customer, and he generally knows the people with whom he deals, and can recognise the signature of the drawer. But a banker has to pay out money to thousands of people whom he cannot know by sight, and with whose signatures he cannot, naturally, be acquainted. Of course, if the drawer's signature is forged, the banker paying such a cheque cannot charge his customer's account with the amount. A banker is himself responsible if he pays a forged cheque, *i.e.*, where the drawer's signature is forged, for it is his business to know the same, unless he can show that he was misled by his customer.

By Section 60 of the Bills of Exchange Act, where a banker on whom a cheque is drawn pays it in good faith and in the ordinary course of business, he is not liable for the indorsement of the payee or any subsequent indorser, even though the indorsement is forged. But if a banker gives cash for a cheque drawn upon another banker, he is not protected by Section 60, and is liable like any other person. Protection is afforded by Section 80 to a banker on whom a crossed cheque is drawn, if he pays it in accordance with the crossing. It runs as follows—

"Where the banker, on whom a crossed cheque is drawn, in good faith and without negligence pays it, if crossed generally, to a banker, and if crossed specially, to the banker to whom it is crossed, or his agent for collection being a banker, the banker paying the cheque, and, if the cheque has come into the hands of the payee, the drawer, shall respectively be entitled to the same rights and be placed in the same position as if payment of the cheque had been made to the true owner thereof."

And a banker who collects a crossed cheque for a customer is also protected by Section 82—

"When a banker in good faith and without negligence receives payment for a customer of a cheque crossed generally or specially to himself, and the customer has no title or a defective title thereto, the banker shall not incur any liability to the true owner of the cheque by reason only of having received such payment."

Where a crossed cheque with a printed form of receipt thereon is payable only when that receipt is duly signed, and the signature on the receipt is forged, the order to pay, not being unconditional and the document, therefore, not a cheque, as recognised by the Bills of Exchange Act, the banker collecting the money for a customer is not protected by that Act; but protection is given by the Revenue Act, 1883.

Promissory notes are subject to exactly the same rules, as far as forgery is concerned, as bills of exchange, allowance being made for the fact that the parties are not quite the same, the maker of the promissory note occupying the position of the acceptor of a bill of exchange, and there being no person to correspond to the drawer.

Bank notes are sufficiently dealt with in a separate article, and their forgery is a much more complicated matter than the forgery of bills and cheques, seeing that these instruments are printed. A slight interference with a bank note may render it valueless. Thus, in one case, where the numbers on certain Bank of England notes had been altered, the intention being to prevent the notes (of which payment had been stopped) being traced, it was held that the innocent holder for value could not recover from the Bank of England because the notes had been altered in a material part. If a banker, unknowingly, gives forged bank notes in payment of a cheque, they do not operate as a payment. And as a transferor by delivery warrants to his immediate transferee, being a holder for value, that a note is what it purports to be, if the transferee receives a forged bank note, he can reclaim the money represented by the note from his transferor, provided he makes his claim within a reasonable time.

FORM OF APPLICATION.—Whenever a new joint stock company is being floated, it is the common practice for an appeal to be made to the public to apply for a share or a number of shares, and the form which is issued for that purpose is called the form of application. The form is filled up by the applicant for shares, who states the number which he wishes to be allotted to him and also the amount of money which he has paid as a preliminary to the company's bankers as a proof of good faith. The form, when filled in, is taken or sent to the bank, or to some other place which is denoted, and the counterpart of the form, which is filled in by the bank cashier, or some other authorised person, is the receipt for the money paid. (See APPLICATION FOR SHARES.)

FOR MONEY.—This is an expression used on the Stock Exchange to denote that dealings are paid for in cash at the time when they are made.

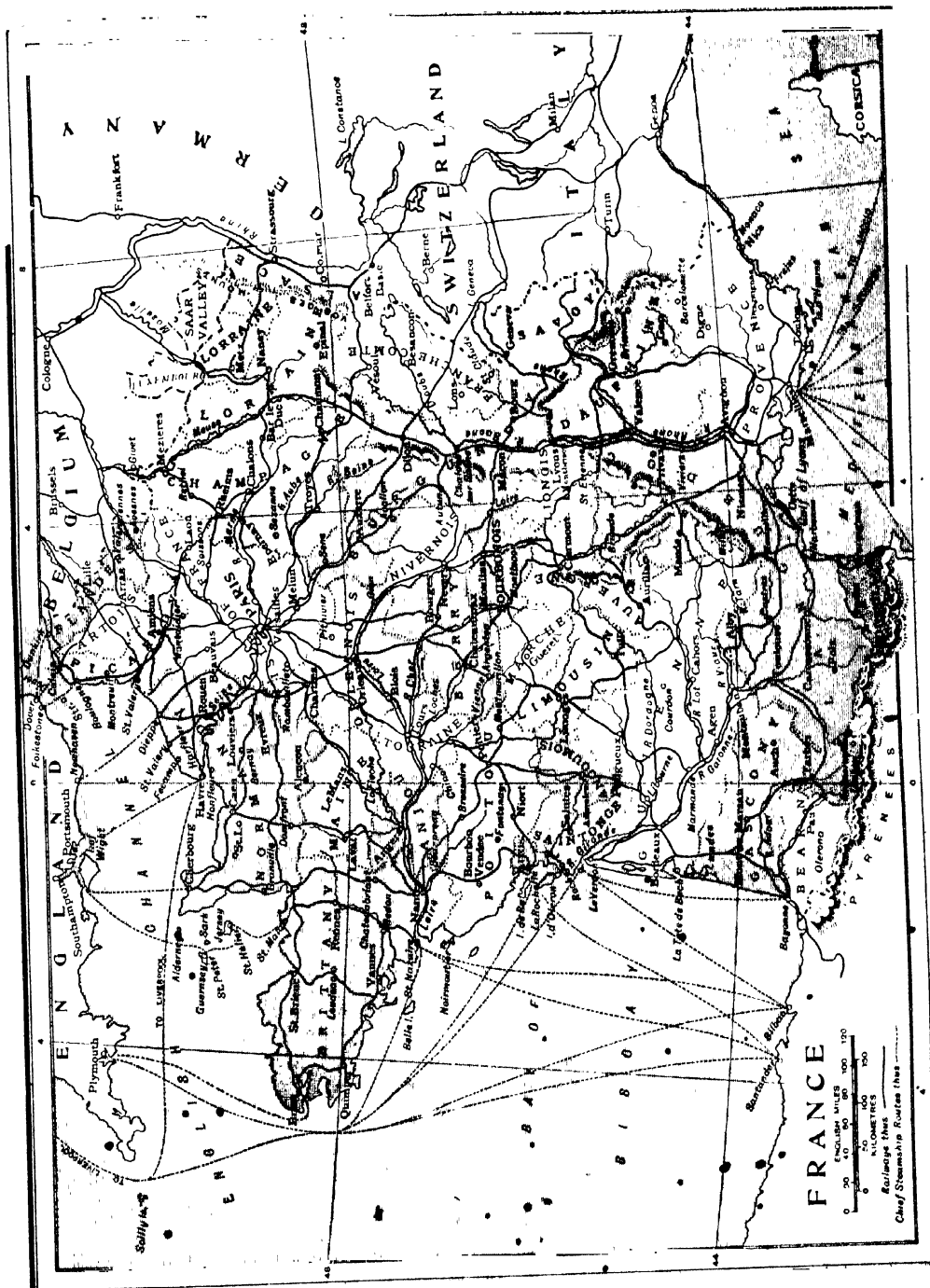
FOR THE ACCOUNT.—This term is used to indicate that a bargain is entered into for settlement on the ordinary account or settling day. Supposing the ordinary settling day to fall upon August 31st, a purchase of £10,000 of Midland Deferred Stock effected on the 20th of that month (for the account) would indicate that the bargain was entered into with a view to payment being made on the following account day, namely, August 31st. The alternative would be to buy or sell "for money" or "for cash," this being sometimes done. Bargains entered into after 12 o'clock on the first day of the settlement are usually for the following account; when it is desired to indicate this, it is stated that a bargain is "for new time."

FORTIFYING.—This term signifies the mixing together of various qualities or growths of wines or spirits for the purpose of improving or strengthening the whole.

FORWARDING.—The act of sending forward merchandise for others.

FORWARDING AGENT.—The person who undertakes the collection, forwarding, and delivery of goods.

FORWARDING GOODS BY RAIL.—(See RAILWAY, CONSIGNMENT OF GOODS BY.)





FORWARD PRICE.—The "forward" price of silver is the quotation for delivery and payment at a future date. The "cash" or "spot" price is for immediate delivery.

FOUL BILL.—A certificate granted by a consul or other competent authority to the master of a ship at the time of clearing a port, stating that the port is infected with disease. If a ship brings a foul bill, the authorities may order a period of quarantine, the length of time depending upon the circumstances of the case. (See BILL OF HEALTH, QUARANTINE.)

FOUNDERS' SHARES.—In addition to preference and ordinary shares (*q.v.*), it was not at all uncommon at one time to find another class of shares, viz., founders' or deputed shares. Latterly, such shares have become less usual, but they are still met with if companies are incorporated for great undertakings, especially finance, when it is hoped that the results will be of a gigantic nature. Founders' shares are usually subscribed for and taken by the vendors to, and the promoters of, the company. In the ordinary course of things no dividend is payable upon such shares until after the ordinary shareholders have received a minimum dividend. But any arrangement can be made in the articles as to the rate and distribution of profits. This often resolves itself into the taking of the surplus profits, after providing a certain dividend upon the ordinary shares, which, of course, will not have received anything until the claims of the preference shares have been satisfied. It is obvious that if the company is very successful, the profits of the holders of founders' shares may be very considerable. Some persons look upon companies having founders' shares with disfavour, when arrangements are made by which the holders are likely to be largely benefited. On the other hand, however, there is always this point to consider. By securing the exertions of the holders, who will not receive any profits unless the business is a success, the company is much more likely to flourish than if there was no such stimulus applicable. Instead of founders' shares, there may be a class of "management" shares created. The rights attached to such shares will be provided by the articles. It will be recollected that a statement as to the number of founders', or management, or deferred shares, and the nature and extent of the interest of the holders in the property and profits of the company must be set forth in the prospectus.

FOX.—A carnivorous animal of the dog family, valuable in commerce for its fur and its long, bushy tail, or "brush." The common fox is found in many parts of Europe, Asia, and America. It varies greatly in colour. The grey fox is very common in North America, where, too, the red, white, blue, and silver varieties are found. The fur of the so-called blue fox is slate in colour, and is much valued, though not so highly as that of the silver fox, which usually fetches very high prices, Russia being the chief purchaser. It is found in Alaska, British Columbia, and the Hudson Bay territory. Siberia does a large trade in red fox, and Great Britain's imports consist mainly of the white variety.

FRANC.—(See FOREIGN MONIES—BELGIUM, FRANCE, SWITZERLAND.)

FRANCE.—Position, Area, and Population. France lies to the south and south-east of England, and is the most westerly state of Central Europe. Its northern extremity is in the same latitude as southern England, and its furthest point west lies

south of Cornwall. Eastward, the country extends as far as 7° 5' E. longitude, while southward it reaches latitude 42° 5' N. latitude.

Its total area, including Corsica, prior to the outbreak of the Great War in 1914, was 207,078 square miles. After the Franco-Prussian War, 1870-1, France lost territory to the extent of about 5,600 square miles—Alsace and part of Lorraine. By the Treaty of Versailles, she has regained what she lost fifty years ago, with a small amount of additional territory, the total addition amounting to 5,819 square miles. The area of European France, to-day, therefore, is 212,895 square miles.

The position of France as the nearest continental country to England, and as partner in the English Channel (La Manche), has always exercised great influence upon the history of both countries. Before the counts of Paris were strong enough to bring the whole country under one rule, the Channel acted as a link by which one ruler governed the south of Britain and the north and west of France. Calais, which, with Dover, commands the narrowest part of the dividing sea, was the last town to be given up by the English, who still retain, however, the Channel Islands as a reminder of the extent of the power of former rulers. Lying on the overland route between England and the Suez, either via Marseilles or Brindisi, a considerable amount of British traffic passes through France, the amount now being augmented by the linking up of the railways across Europe to Constantinople. This is as it was before the war. No doubt similar conditions will be revived in a few years.

Population. The population at present increases very slowly; in some departments it shows an actual decrease, due partly to the low birth-rate, and partly to the movement from the country to the town. In 1846, 75 per cent of the people lived in the country; the percentage is now less than 55 per cent. The population is more evenly distributed throughout the land than in the United Kingdom, to some extent because of the greater number employed in agriculture, and also because on account of the distribution of the coal and the smallness of the output there is a less concentration of industries on small areas. In 1886 the total population was 38,219,000; in 1896, 38,518,000; in 1901, 39,031,000; and in 1906, 39,252,245. In 1914, the population was estimated at about 40,000,000, and in 1920, allowing for the inhabitants of the recovered territory, the total has been increased to between 41,500,000 and 42,000,000. Foreigners, who number over a million, reside chiefly in the large towns and those near the borders. In Lille, before the war, a fourth of the population was foreign. It is estimated that a quarter of a million Frenchmen reside abroad. No statistics of emigration are available, but the number of Frenchmen leaving the country is probably about 10,000 per annum. Those from the Basses Alpes go generally to Mexico, and are there known as Barcelonnettes; the Basques go to Argentina and Uruguay; while many in the south cross the Mediterranean to Africa—principally Algeria—to engage in viticulture. This estimate as to emigration applies to the period before the war. It is possible that a change will occur.

Surface and Routes. A line from Bordeaux in the south-west to the Ardennes in the north-east divides France roughly into two regions of different build. To the north and west is a lowland broken by groups of hills; to the south and east is a hilly and mountainous country, in which lie a number

of important valleys. Of these valleys, the most important is that of the Rhone, running north and south, and continued in the Plain of Languedoc. To the east of the valley the Alps rise to the Italian and Swiss frontiers; to the west are the Cevennes, the rim or edge of the Central Plateau, which slopes northward and westward generally in the direction shown by the rivers. North of the Rhone, the Jura separate France and Switzerland; and, further north still, the Vosges lie on the German border. Despite the mountainous character of this eastern frontier, there is easy communication across it, in a number of places, with the adjacent countries. The valleys of the Isère in France and the Dora Baltea on the Italian side are connected by rail through the Mont Cenis tunnel; the Rhone valley leads between the Jura and the Alps into Switzerland; while the Gate of Belfort, between the Jura and the Vosges, gives access to the valley of the Rhine in Germany. Further north still, the deep valley of the Moselle leads to a lower part of the Rhine valley, and that of the Meuse to southern Belgium.

On the south, the Pyrenees form the boundary with Spain. One remarkable feature of the range is the small number of passes, so that, until recently, the chief roads and railways have had to pass round the eastern and western ends. Now, however, there are three lines approaching completion across three of the lowest passes: one joining Pau on the north with Zaragossa, another joining Toulouse with Leida, and a third from Toulouse and Carcassonne to Barcelona. Between the Pyrenees and the Central Plateau is an important valley connecting the Plain of Languedoc with the basin of the Garonne, and at no point more than 620 ft. above the sea.

On the north the boundary is not marked by any natural features. The most vulnerable part of the frontier is on the north and north-east, where the absence of any physical boundary with Belgium and the number of easy routes through the uplands on the German border engage a considerable portion of the military energy of France. Opposite the middle of this stretch of frontier is Chalons-sur-Marne, the French Aldershot.

The Railways of France. The great railways of France each serve a separate portion of the country, with much less overlapping of areas than is the case in England.

The Chemin de Fer du Nord (the Northern Railway, Paris terminus, Gare du Nord), connecting the Channel ports of Dunkirk, Calais, and Boulogne with Paris and a large part of Europe, is, for the area served, the busiest of the French railways, especially the section between Amiens and Paris. It has a total length of line of 2,500 miles. The chief routes in connection with the English railways are Calais to Basel via Chalons-Chaumont, and Calais to Brindisi via Modane.

The Chemin de Fer de l'Ouest (the Western of France Railway, Paris terminus, Gare St. Lazare), connects Paris with Dieppe and Havre via Rouen, with Cherbourg via Caen, and with St. Malo via Rennes and Le Mans. Dieppe is connected by boat with Newhaven, and in order to meet the traffic demands an additional loop line was finished shortly before the outbreak of war in 1914. From Rennes, the line extends through Brittany to Brest. The heaviest traffic is on the Rouen-Paris section. On January 1st, 1909, the working of the Chemin de Fer de l'Ouest was transferred to the State.

The Chemin de Fer de l'Est (the Eastern Railway, Paris terminus, Gare de l'Est) connects Paris with Nancy, and then extends to the German frontiers. Another branch through Troyes and Belfort is connected with the Swiss lines. The chief international routes are via Nancy, Stuttgart, and Vienna to Constantinople—the route of the Oriental express; and via Belfort to Basel, and thence by the St. Gothard Pass to Milan. The total length of line is 3,000 miles.

The Chemin de Fer P.L.M. (Paris-Lyons-Mediterranean Railway, Paris terminus, Gare de Lyon) is the largest of the French railways, having a length of 5,500 miles. It links the diverse regions of the Rhone Valley and the Paris basin, and with the Nord forms the chief connection between England and the Mediterranean. The chief towns on the main line are Dijon, Chalons, Macon, Lyons, Avignon, and Marseilles. The chief international connections are via Macon, Modane, and the Mount Cenis tunnel to Turin, and thence to Rome and Brindisi, via Macon to Geneva, via Tarascon, Nîmes and the Southern Railway to Barcelona.

The Chemin de Fer Paris-Orléans (Paris Gare d'Orléans) runs from Paris to Bordeaux via Orléans, Tours, Poitiers, Angoulême, and Courtes. It has a length of 4,300 miles, but its area is not so well defined as in those lines already mentioned, as it overlaps with the Southern and State Railways.

The Chemin de Fer du Midi (Southern Railway) joins Bordeaux with the Mediterranean ports via Toulouse. From Bordeaux a line runs south through Bayonne and Hendaye, at the western end of the Pyrenees, into Spain; while the line parallel to the Mediterranean coast passes round the eastern end and enters Spain at Cebrere. One set of metals on this eastern route gives through communication between Paris and Madrid. On the others there is a break of gauge on the frontier. The length of line is 2,100 miles. The State Railway (1,750 miles) serves the region between Bordeaux and the Loire, Orléans, Tours, Poitiers, and Angoulême.

Rivers and Canals. The length of navigable rivers in France is 5,480 miles, and the length of navigable canals 3,075 miles.

All the larger rivers of France are larger than any of those of Britain, the Rhone, Seine, Loire, Garonne all being larger than the Shannon. On the east and north-east there is water communication with Switzerland, Germany, and Belgium; and there is considerable traffic, especially in heavy goods—coal, iron ore, pig iron—with the two latter. The length of canal is being extended. Canals having a minimum depth of 2 metres and a width of 5 metres are termed first-class waterways. The closest network of canals is in the north-east, where the lowness of the country, the presence of coal, and the numerous manufacturing towns, both in France and across the border, favour their construction. Nearly half the coal brought into Paris is waterborne.

The Rhone, entering the country from Switzerland, is joined by the Saône at Lyons, and then flows to the Gulf of Lion, which it enters through a delta by a number of mouths. From Arles, near the head of the delta, to St. Louis on the coast, is a waterway suitable for small steamers; but, chiefly on account of the speed of the current, navigation between the delta and Lyons is difficult, although the downward journey is easily made. The Saône is a first-class waterway, and is connected by first-class canals with the Seine, Rhine,



and Meuse. The Rhone and Rhine Canal, through the lowland between the Jura and the Vosges, connects it with the Rhine, and the Canal du Centre with the Loire.

The Seine and its chief tributaries, Yonne, Marne, and Oise, rise in the hills of Burgundy and Champagne and the Ardennes. The whole system converges on the Paris region, whence the main stream flows north-westward to the English Channel. The old ports of Honfleur and Harfleur have now fallen into disuse, the former being silted up and the latter displaced by Havre. The navigation of the estuary is somewhat difficult on account of the banks formed by the silt brought down, and small steamers can avoid it by the Tancarville canal from Havre, although this is much less used than formerly. The bed of the river has been dredged so as to allow steamers drawing 22 ft. of water to reach Rouen, thus enabling that city to receive the coal and raw cotton for its industries direct. Above Rouen, dredging has made it possible for ships drawing 10 ft. to reach Paris, which is in direct communication by water with Nantes and London. First-class waterways connect it with the Rhone, Rhine, and Meuse, and also with Antwerp and other Belgian ports, while smaller canals lead to the Loire. The Marne and Rhine Canal, with 180 locks, crosses the Vosges at a height of 1,100 ft. The Burgundy Canal, with 191 locks, joins the Yonne with the Saône, rising, in crossing the Cote d'Or, to a height of over 1,200 ft. above the sea.

The Loire, with its tributary the Allier, rises in the Central Plateau, and flowing generally northward as far as Orleans, turns westward to the Bay of Biscay. Its lower course is sluggish, and subject to considerable variations in volume on account of the peculiar character of soil in its upper basin. Here the rocks, having little power of absorption, allow the rain to run off quickly and flood the rivers, after which they fall rapidly. The increase in the size of ships led to the rise of St. Nazaire at the mouth at the expense of Nantes at the head of the estuary, but a ship canal now enables vessels drawing 21 ft. to proceed direct to Nantes.

The Dordogne and the Garonne draw their waters from the Central Plateau and the Pyrenees, and converge on Bordeaux, entering the Bay of Biscay by the Gironde estuary. From Toulouse on the Garonne, the Canal du Midi passes through Carcassonne and Cette to the Rhone, thus connecting the Atlantic with the Mediterranean. The proposal has often been made to construct a ship canal along this route in order to save the long voyage round Spain, but at present the Canal du Midi is a second-class waterway.

Of the smaller rivers, the most important is the Somme in the basin of which lie a number of small industrial towns connected by water with the Seine basin and Belgium.

Climate. In the north the climate is similar to that of the south of England, in the south, where, in the neighbourhood of Nice, the mountains keep out the cold northerly winds, the orange will ripen. Lying on the west coast of Europe and in the track of the prevailing westerly winds, the rainfall is sufficient for agriculture. As the higher mountains lie on the east and south, it is there that most rain falls, amounting generally to more than 60 in. on the slope of the Alps, Vosges, and the western half of the Pyrenees. The lowest rainfall is found on the Mediterranean coast adjoining the Spanish border. The absence of mountains

on the northern frontiers leaves the region around and to the north-east of Paris open to the extremes of winter cold and summer heat of continental Europe. At Nantes, practically at sea level, frost is almost unknown; but on the elevated region of the Central Plateau bitterly cold weather is experienced in winter. In the upper Alpine regions, which include Mont Blanc, the highest point in western Europe, low temperatures are, of course, experienced. The Rhone Valley, with much of the lowland bordering the Mediterranean region, protected by the Cevennes, Alps, and other mountains, is open only to southerly influences, and has, consequently, a warm and somewhat damp climate. In the south-east, contiguous with the similar region of Italy, is the Riviera whose mild winters, due to the protection from northerly influences by the Alps, draw a large temporary population from the colder parts of Europe.

In the higher Alpine valleys there is a temporary summer population, the shepherds taking their flocks there when the snow has melted in early summer and returning to the lower valleys in winter.

Agricultural Productions. Roughly, half the population of France is dependent directly upon agriculture, and half the land is under crops. The lowlands generally and the valleys are fertile, the most infertile lowland area being the Landes, bordering the Bay of Biscay in the south-west. Owing to the customary system of land tenure, the number of peasant proprietors, with very small holdings that are better described as gardens than farms, is very large. The most important crops are cereals. Wheat is the most widely and most extensively grown, the area under it being 16,000,000 acres. Oats occupy 9,500,000 acres, rye, 3,000,000, barley, 1,750,000, buckwheat, 1,250,000; and maize, rather less. Barley is grown mostly in the north and east, and maize in Aquitaine. Of countries for which statistics are available, France comes next to the United States in the annual amount of wheat produced. The average produce per acre, however, is less than in Britain.

Other crops in order of importance are the vine, potato, mangold, beet, olive, mulberry, colza, hemp, flax, and tobacco. The mulberry is grown chiefly in the Rhone Valley as food for the silkworm, and the olive flourishes in Provence. Beet is most largely grown in the north, in Flanders and Picardy, much is also grown in Brue, Beauce, and Limagne. Part is used for the production of sugar, but the bulk for the manufacture of spirit.

The principal animals kept are: Sheep, cattle, pigs, and horses, the numbers being—sheep, 17,500,000, cattle 14,000,000; pigs, 7,000,000; and horses, 3,000,000. There are also about 1,500,000 goats kept. The sheep are most numerous in the hilly lands of Champagne and the neighbourhood, the Ardennes, the hills of the northern plain, and the slopes of the Alps and the Cevennes. The chief horse-breeding districts are in Flanders in the north and the region between the lower Loire and the Gironde. Cattle are raised, for dairying in Normandy, Brittany, and other parts of the north, in the valley of the Saône, and on the lower lying portions of the Central Plateau.

The Vine. France produces more wine, and that of a better quality, than any other country, Italy following second, and Spain third. Altogether more than 1,500,000 people are engaged in the wine industry.

Formerly the vine was grown throughout France, but now its cultivation on a large scale does not begin until we reach the latitude of Paris, the yield further north being uncertain in some years and the quality of the wine poor. The chief areas are in the basin of the Gironde, in Champagne, Burgundy, and the lower Rhone basin. Champagne grown on the chalk hills, in the basins of the Marne and Aube, is marketed chiefly at Reims and Epernay. Burgundy grows best on the slopes of the Cote d'Or, where it is sheltered by the surrounding mountains from the cold northern winds.

The ravages of an insect pest, the phylloxera, chiefly in the eighties, have had a marked effect on the wine trade. Up till 1878 there was always a considerable excess of the export of wine. In 1879 the excess was nominal, and since then there has always been an excess of imports. One of the chief methods in combating the scourge was the destruction of the affected vines and the substitution of American plants, these latter being less liable to attack.

In 1869, the most productive year on record, the area under cultivation was 2,643,174 hectares and the product 70,000,000 hectolitres of wine. Since then the area has fallen almost yearly, the minimum—1,587,700 hectares—being registered in 1902, with slightly more in 1903, since when the average has been nearly 1,700,000. The years of least production and greatest excess of imports were from 1886 to 1892. In the middle of that period, 1889, the product was only 23,224,000 hectolitres, the average for the period being 28,015,000. The excess of imports for the same period averaged 9,000,000 hectolitres. The largest crop of recent years was in 1900, viz., 68,532,000 hectolitres, followed by the minimum excess of imports in 1901, 1,685,769 hectolitres. The year 1900 also yielded the largest crop for the area under cultivation—42.58 hectolitres per hectare. Since 1902 the average excess of imports has been 4,000,000 hectolitres. Naturally the conditions of 1914-18 have affected this industry, but it is certain to revive.

By agreement with Hungary and Portugal, the areas from which wines labelled with a special name can be made (Tokay in Hungary, Port in Portugal, Champagne, Claret, and Burgundy in France) have been rigidly defined in order to keep up the standard of the product.

Mineral Products and Industries. Coal and iron are the chief products; silver-lead, zinc, antimony, copper, arsenic, and manganese are the chief metals beside iron. The non-metallic products include salt, building-stone, slate, cement, phosphates and gypsum, from which plaster of Paris is made.

Coal. Although the output of coal is growing, it was, in 1914, less than 40,000,000 tons per annum. The most productive coal area is in the north, which supplies two-thirds of the total output. The more important of the southern areas are those around St. Etienne, Creusot, and Alais. Altogether there are about 150,000 men engaged in coal mining. There is a considerable import of coal from Britain, Germany, and Belgium.

The Iron Industry. The iron industry is scattered through the country at a number of centres, by far the most important of which is the department of Meurthe-et-Moselle on the east, which produces nine-tenths of the whole. The chief towns here are Longwy, Nancy, and Briey.

On the whole, French ironworks are concerned only with domestic trade, the export, although increasing, being comparatively small. The import greatly exceeds the export. One reason for the small export is the great distance of the large producing centres from the sea. Domestic prices are largely controlled by syndicates, the largest and most powerful of which is the Comptoir de Longwy.

The Cotton Industry. The chief centre of the cotton industry is Rouen, other towns in connection with it lying between Havre, Dieppe, and Evreux. In the north, Lille, Tourcoing, Roubaix, St. Quentin, and Amiens include cotton with other textile industries. A third district is on the slopes, and to the west of the Vosges, where water power is largely used. Here the chief towns are: Epinal, St. Die, Remiremont, and Senones. Nantes, Troyes, Roanne, and many smaller towns are also interested in the industry.

Until the rise of Bremen, Havre was second to Liverpool as a cotton port. The canalisation of the Seine, too, makes it possible for vessels to proceed direct to Rouen instead of sending the raw material via Havre. English coal, imported direct, is also largely used. Marseilles imports raw cotton from the east, but in no great quantity. Of manufactured or partly manufactured material, most is obtained from the United Kingdom, Germany, and Switzerland, the United Kingdom supplying most of the yarn and Germany most of the fabrics. The exports are chiefly to Algeria and other French possessions, Algeria taking about half the total, and Madagascar, Indo-China, and Senegal three-fourths of the remainder.

Commerce. The total imports before the war were of the average annual value of £295,272,000, and the exports £276,061,000. The principal imports were raw materials (£153,000,000), and the principal exports manufactured goods (£126,000,000). The imports in order of value are: Wool, coal and coke, raw cotton, raw silk, oil-seeds, timber, hides and furs, wine, coffee, cereals, ores, cattle, flax, cotton goods, silk goods, woollens, and sugar. The exports are: Cotton goods, silk goods, raw wool and yarn, woollens, leather and leather goods, raw silk and yarn, linen, metal goods, chemicals, skins and furs, dairy produce, sugar.

The principal countries traded with, in order of their combined trade in exports and imports, are: The United Kingdom (which leads easily in both imports and exports), Germany, Belgium, the United States, Algeria, Italy, Russia, Switzerland, Spain, Argentina, and Indo-China.

The United Kingdom imports from France: Silk goods, woollen goods, carriages, etc., butter, cotton goods, wine, clothing, sugar, leather, and leather goods.

France imports from the United Kingdom: Coal, machinery, woollen goods and yarn, iron and copper and other metal, cotton goods and yarn.

The conditions above stated apply to what was the commercial character of France before the war. These conditions will go doubt be gradually restored, but it is impossible at present to give statistics which can be of any lasting value.

Trade Centres. **THE SEINE BASIN AND THE NORTH:** In the north of France are the provinces of Artois and Picardy. Here, especially around the twin towns of Anzin and Valenciennes, lying on either side of the Schelde, are extensive coal deposits, the largest in France, which supply coal for the industries of Lille and other towns in the

neighbourhood. In the Seine basin are the provinces of Normandy, Ile de France, in which lies Paris, Champagne, and in the east Lorraine.

Paris (2,846,986) is the capital of France, and, since the dredging of the Seine, its third port. Although the bulk of its trade is local, it is in direct communication by ocean-going steamers with Nantes and London. Like all great capitals, it is a manufacturing city, producing such a diversity of goods that a tabulation of them is impossible; but, as the centre of the world of art, the products are, to a great extent, of an artistic nature: jewellery, gloves, silk goods, perfumery, furniture, and cabinet work. Much machinery, especially locomotives, is also made. Some of the manufactures are established in the suburban areas, as at *St. Ouen* (37,866), *St. Denis* (64,790), and *St. Cloud*, where the Sèvres porcelain is now made. Other suburbs, *Neuilly*, *Boulogne*, *Sèvres*, and more especially *Vincennes*, are residential.

Although lying away from the geometric centre of the country, Paris is within easy reach by routes across the lowlands of the whole of the north and west, and by the valleys through the hills with the Rhone valley and the south. Its general position was determined originally by the convergence in its neighbourhood of the Seine and its larger tributaries. It was founded on a low island in the Seine, where the bifurcation of the river makes a narrower crossing, and at the same time affords protection from attack.

To the south-west is the famous suburb of *Versailles* (54,820), and to the west of this *St. Cyr*, with its military college.

Dunkirk (38,287), built on the only part of the coast available for many miles, is the most northerly port and town of France, and the only one on the North Sea. It is the fourth largest of the French ports, and can accommodate vessels drawing 24 ft. of water. It deals largely with the goods to and from the coalfield behind it. The principal import is wool, from England and Argentina; the principal exports, iron and steel goods, and sugar.

Calais (66,627), with Dover, commands the Strait of Dover (Pas de Calais), and was consequently held by the English for centuries. It has some small industries and is well fortified, but despite its intimate connection with England, stands ninth in the list of French ports, being concerned more with passenger and mail traffic than with general commerce.

Dieppe (22,000), at the mouth of a small river forming a convenient harbour, is next in importance after Calais, its distance from the English coast at Newhaven being largely compensated by the greater directness of the route through it between London and Paris.

Boulogne (51,201), on a small estuary, is connected with Folkestone by lines of steamers, and has a more valuable trade than either Calais or Dieppe.

Havre (132,430) is the principal Atlantic port of France, and the second only to Marseilles in the whole country. It is the headquarters of the Compagnie Generale Transatlantique, and imports large quantities of raw goods from the New World; cotton, wheat, and tobacco from the United States; coffee and tobacco from Brazil, wool and hides from Argentina. Its proximity to the English coal-fields has given rise to increasing manufactures in and around it.

Cherbourg (43,837), whose harbour is protected by

an extensive breakwater, lies in the north of the Cotentin, where that peninsula narrows the English Channel considerably, and, like Portsmouth and Portland on the opposite coasts, is a strongly fortified naval station. It is connected by steamer with Southampton and Weymouth.

Rouen (118,459) is now, since the canalisation of the bed of the Seine, a considerable port, ranking with Calais and Dieppe, with accommodation for ships drawing 22 ft. It imports cotton direct from the States, and being within easy reach of both English and French coal, is now the principal cotton town of France.

Caen (44,442), on the Orne, is the market and port for the surrounding region.

Le Mans (65,467) is an agricultural centre, with a large market for eggs and poultry.

Lille (215,000) is the largest of the manufacturing towns, and, from its position, the most important. It has large textile factories, producing linen, cotton, and woollen goods, and also iron and steel manufactures, particularly machinery and locomotives. Its central position on the low-lying frontier, between the valley of the Sambre and the sea, makes it the principal fortified position in the north. To the north-west are the twin towns of *Tourcoing* (81,671) and *Roubaix* (121,017), with which it is now joined, on account of the growth of suburb between it and them. Both these towns have important woollen manufactures, and a considerable trade in both the raw and the manufactured article. *Roubaix* is known for its carpets, and *Tourcoing*, owing to its nearness to the frontier, ranks as a "port," with a trade equal to that of Calais.

Amiens (90,920), on the Somme, within easy reach of both Dunkirk and Havre, has woollen manufactures, as also has *St. Quentin* (52,778) on the same river, at the entrance of the canal joining it with the Seine (Oise). North from *St. Quentin* is *Cambray*, which makes linen.

Reims (109,859), between the Aisne and Marne tributaries of the Seine, with both of which it is connected by canal, is an ancient town which has depended on the woollen industry, for which the raw material is largely supplied by the neighbourhood, for centuries. As the capital of Champagne, it is also the most important wine market in the north. Of other woollen towns in this region, Sedan, to the north-east, and *Troyes* (53,447) to the south on the Seine itself, are the best known. The latter is the principal hosiery town of France, and has an important annual fair.

Nancy (110,570), at the foot of the Vosges, on a small tributary of the Mosel, is the chief centre of the French iron industry. It is on the canal connecting the Marne, Meuse, and Mosel with the Rhine, near Strassburg.

BRITANNY. Brittany is a rugged country with barren hills and a high coast, difficult of approach on account of the numerous rocky islands. The interior is unfitted for agriculture, but near the coast vegetables are largely raised, some being exported to Britain. The principal towns, *Rennes* (75,640), *Brest* (85,294), *Lorient* (46,403), *St. Nazaire* (35,762), and *Vannes* (110,570), are connected with each other by canals, which link up their rivers. *St. Malo* and *Morlaix* export vegetables to England. *Brest* is the chief naval port in the west. *Lorient* is a naval dockyard where warships are built. *Nantes* and *St. Nazaire*, on the Loire, are engaged in the West Indian trade. *Nantes*, the older town, suffered with the increase of the size

of ships, from the competition of St. Nazaire at the mouth of the river. Now it is joined to the sea by a ship canal.

THE LOIRE BASIN: Of the provinces lying in or mainly in the Loire Basin, Maine, Anjou, Orleanais, Nivernais, and Burgundy lie on the north and east of the river, while to the south are Poitou, Angoumois, Touraine, March, Berry, and Bourbonnais. Lying chiefly on the central tableland are Limousin, Auvergne, and Lyonnais, and between Poitou and the Gironde are Aunis and Saintonge.

From Brié a canal runs parallel to the left bank of the river as far up as Digoin. A similar canal following the right bank of the Cher and the two are connected by the Berry Canal. There is canal communication with the Seine and Yonne from Orleans, Briare and Decise, and with the Rhone by the Canal du Centre from Digoin.

Orleans (68,614), on the northernmost bend of the river, lies in a fertile part of Orleanais known as Beauce, while across the river is the marshy and barren district of the Sologne. Before the advent of railways, Orleans had a large river trade, but is now little more than a distributing centre for the surrounding country.

Tours (67,601) is in the centre of a large wine-growing district.

Angers (82,935), at the junction of the Mayenne and Sarthe, is a fruit market, with slate quarries in the vicinity.

Bourges (44,133) lies in the very centre of France, on the Cher Canal. It manufactures arms.

Roanne (35,516), just below the St. Etienne coal-field, makes cotton goods.

Clermont (58,363) and **Vichy**, on the Upper Allier, have mineral springs, the water of which is exported.

Limoges (88,597), on the Vienne, employs the kaolin and other clays of the neighbourhood for the manufacture of porcelain and earthenware.

Creusot (30,000), really on the watershed of the Loire and Rhone, near the Canal du Centre, has large machinery and locomotive works.

St. Etienne (146,788), on the nearest coalfield to the silk-producing region, is second only to Lyons, to which it sends coal, in the production of ribbons and other silk manufactures. It has also ordnance works.

Angoulême (37,507), on the Charente, manufactures paper. Lower down the river is Cognac, and near the mouth, Rochefort (36,694), a naval station, with a rather poor harbour.

THE RHONE BASIN AND THE SOUTH-EAST: The provinces of the Rhone basin are Franche Comté, and the richer portion of Burgundy, one on either side of the Saône, Languedoc in the south-west of the Rhone valley, Dauphiny in the east, and Provence in the south-east. On the Spanish border is Roussillon.

Lyons (472,114), the centre of the region, lies partly on the lowland between the Rhone and Saône, and partly on the left bank of the former river. It is the chief centre of the silk manufacture, and obtains coal from St. Etienne. **Nîmes** (80,184), **Montpellier** (77,114), **Avignon** (48,312), **Vienne**, and others are subsidiary silk towns.

Dijon (74,113), on the Burgundy Canal, has been an important town for centuries on account of its position. It is one of the principal wine centres of Burgundy; **Macon**, on the Saône, is another wine market; **Besançon** (56,168), on the Doubs, at the

foot of the Jura, is the centre of the watch-making industry. **Annonay** manufactures paper.

Belfort (92,000), on one of the chief natural routes between France and the Rhine, ranks twelfth in the list of "ports."

Grenoble (73,022), on the Isère, is the centre of the glove-making industry, which is carried on throughout the surrounding region.

Modane is the frontier station on the principal route—Cenis—across the Alps.

Marseilles (517,498), to the east of the delta of the Rhone, whose marshes are unsuitable for the building of a city, is the first port of France. In the north, the trade of France is divided among a number of ports. In the south, the low-lying character of the coast, with its shallow lagoons, and the comparative difficulty of reaching it from Paris, have led to the concentration of the bulk of the trade in this direction passing through Marseilles, the nearest Mediterranean port to the capital. The increase in the size of ships has tended to accentuate this importance, and, at the same time, to compensate for the loss of trade following on the construction of the Alpine tunnels. The opening of the Suez Canal was of great advantage to the town, which is the headquarters of the Messageries Maritimes Cie. There are numerous small manufactures, the principal of which are the refining of oil and the making of soap.

Toulon (103,549), to the east, is a great naval station. Further east still, on the Riviera, are **Cannes**, **Nice** (134,232), and the toy state of Monaco with Monte Carlo.

Carcassonne, in the low valley between the basins of the Rhone and Garonne, is connected with both by rail and the Canal du Midi, at the sea-end of which is Cette. The completion of the trans-Pyrenean railway to Saragossa and Barcelona will increase its importance.

THE GIRONDE BASIN AND THE SOUTH-WEST: The provinces of this region are Guyenne, Gascony, and Bearn. High up in the Pyrenees is the small independent republic of Andorra. The whole coast is low lying and regular, with but one break. Behind it are shallow lagoons, and further inland the infertile country known as the Landes. Along the banks of the Garonne, the Dordogne, and their principal tributaries are extensive vineyards, whose surplus produce is exported from **Bordeaux** (251,917) the fifth port of France. Large vessels, however, do not go beyond Pauillac, nearer the mouth.

Toulouse (149,438), on the Garonne, where the Canal du Midi joins it, is in the centre of an agricultural region and a grain market. Like Carcassonne, it will benefit by a trans-Pyrenean railway.

Biarritz is a cosmopolitan watering-place near the Spanish border.

Pau (35,044), **Cauterets**, **Lourdes**, **Bagnères de Bigorre**, **Bagnères de Luchon**, and other small places along the foot of the Pyrenees have thermal and medicinal springs of repute.

To the above account of France, which in the main is what it was before the war, a few words must be added as to the recovered provinces of Alsace and Lorraine, which at the time of the issue of the first edition of the Encyclopaedia formed an integral part of the German Empire. This territory embraces the fertile plain between the Rhine and the Vosges, and extends as far as the province of Luxemburg. Iron and coal abound and form a considerable source of wealth. The vine, tobacco, and hops are extensively cultivated, and in several parts the cotton industry is thriving.

As already stated, the area is about 5,600 square miles, and the population is nearly 2,000,000. The three principal towns are *Strassburg* (180,000), *Mühlhausen* (100,000), and *Metz* (70,000), all of which have figured very prominently in military history.

(N.B.—In every case the population has been given according to the figures supplied by the last census, 1911.)

Languages. Although the French of the Paris region is used by the bulk of the people, a number of dialects are found, the chief being Walloon in the north and Provençal in the south. In the south the same languages are found on both sides of the Spanish border, Basque in the west, and Catalan in the east. In Brittany, several dialects, alike to Welsh, are spoken.

French Foreign Possessions. These are very considerable and are to be found in every quarter of the globe. The total area of these possessions is about 4,750,000 square miles, and the population is a little over 40,000,000. The more important of them are here noticed in more or less detail.

ALGERIA. Algeria or Algiers is really considered as an integral part of France, and consists of three departments—Algiers, Oran, and Constantine. This territory was first occupied by the French in 1830, since when the area has been greatly extended, now reaching as far south as latitude 26° N. The east and west limits are 24° W. and 84° E. South of 32° N. is within the Sahara, and has an area altogether out of proportion to its importance. The region between the coast and 32° has an area of 184,474 square miles and a population of about 5,000,000.

The two ranges of the Atlas divide the country into three natural regions: The Tell in the north comprising the coast region and the wooded lower slopes of the adjoining mountains, a desert region with oases in the south, and between these an arid upland region with great stretches of alfa grass.

The People. Until the Arab invasion in the twelfth century, the predominant race was the Berber. These were driven to the mountainous regions by the invaders, most of whom still lead a nomadic life. The most important division of the Berbers are the Kabyles, who keep enormous herds of sheep and goats. There is a considerable Jewish element, especially in the towns. Arabic is the prevailing language, many dialects of it being spoken.

Communications, Trade, and Towns. There are 2,000 miles of first-class roads, over 2,000 miles of rail, and over 200 miles of tramway in Algeria. From near the Moroccan frontier the railway line runs roughly parallel to, and at some distance from, the coast, except where it passes through *Algiers*, and is connected with the Tunisian railways. Short lines connect this east and west system with the coast at *Oran*, *Mostaganem*, *Bougie*, *Philipville*, and *Boxe*, while others run inland to the oases of *Tebessa*, *Biskra*, and *Figig*. The ports on the railway are connected with Marseilles and with one another by the *Compagnie Generale Transatlantique*. From Oran there is a service to Carthage in Spain, and from Bone to Corsica and Sardinia, while another service runs from Algiers to Bordeaux via Oran, Tangiers, and Gibraltar.

The bulk of the trade is with France. In the trade with foreign countries, Great Britain leads in both exports and imports.

Of the imports, cottons are the largest item.

The next in order of value are clothing, machinery and other metal goods, woodwork, vegetable oil, skins and leather, sugar, and timber.

The chief articles of export are wine, sheep, and wheat. Then come barley, wool, phosphates, cork, fruit, zinc ore, iron ore, hides and skins, tobacco and olive oil.

Minerals. The chief ores mined are iron, zinc, and lead. Antimony, chrome, and manganese are also found. The chief iron centres are Mokra, near Bone, and the region behind Beni Sauf, near the Moroccan borders, from which large quantities are exported. The ore generally lies close enough to the surface to be obtained by quarrying. Ornamental stone of fine quality is quarried at Kleber in Oran and Ain Smara in Constantine. Phosphates, especially near Tebessa, are being largely exploited by British companies. Petroleum is known to exist in Oran, but as yet is not worked.

Climate and Agriculture. In the north the winters are cool and moist, and the summers hot and dry. To the south, and in exposed parts, the climate becomes more extreme, winds from the Sahara in summer sometimes being hot enough to injure the crops, as is also the occasional cold weather in winter.

In the Tell the vine is the most important crop. The almond, date, orange, and fig are also grown extensively. Wheat and barley are the chief cereals. Olive oil, the finest that is produced, is made to the extent of over 12,000,000 gallons per annum.

Of the wild products, cork and alfa are chief, the area covered by the latter being 10,000,000 acres.

MOROCCO. The principal part of Morocco now forms a French protectorate, in accordance with the terms of a Franco-Spanish agreement made in 1912. This country is dealt with under a separate heading.

That portion of the Sahara which is nominally under French control needs no detailed account, beyond that it has an estimated area of about 1,500,000 square miles, and a population of about 800,000. The Sahara district is the hinterland of French West Africa.

TUNIS Position, Area, and Population. Tunis, or Tunisia, is known locally as Ifrigiah or Afrikya, the old Roman province of Africa, from which the whole continent takes its name. It is the most northerly country of Africa, and is bounded on the north and east by the Mediterranean, on the west by Algeria, and on the south-east by Tripoli, while on the south-west it merges into French Sahara. The boundary with Tripoli has been decided by a joint commission, and in 1911 marked with boundary posts from Ras Ajader on the coast to beyond Ghadames, an important oasis and caravan centre in Tripoli, in the south. It has an area of 51,000 square miles and a population estimated at about 2,000,000, the bulk of whom are Bedouin Arabs and Kabyles, with a considerable proportion of Jews. The French population numbers 35,000; the Italian, 81,000; and the Maltese, 10,000. Greeks and other Europeans number about 3,000.

The two lines of the Atlas Mountains in Algeria are continued in Tunis; but while the climates of the two countries are similar, the most important section of Tunis lies between the two ridges, and is channelled and, in parts, irrigated by the river Majerda, which enters the sea at Porto Farina. To the south of the Great Atlas Mountains are the Schotts, or salt marshes, which extend almost from

the Algerian boundary to the Gulf of Gabes. The streams that at one time filled them are now diverted for irrigating the palm-growing area, which produces the finest dates in the world.

Productions. The native population is almost entirely agricultural. Besides dates, olive oil of fine quality is produced, the olive yards covering an area of about 200,000 hectares. Olive oil is the most important export, being valued at one-fourth of the whole. Large areas are under esparto grass, much of which is exported. Camels, horses, sheep, cattle, and goats are kept in large numbers, and cattle, hides, and wool are exported. Wheat, barley, and oats are exported, but much larger quantities of grain and flour are imported. In the north-west there are forests of cork oak. The vine is extensively grown, and over 2,000,000 gallons of wine produced annually. Other vegetable products are almonds, pistachios, oranges, lemons, and shaddocks.

The mineral output is increasing rapidly. Iron ore is found near Kef, in the north-west, and phosphates near Gafsa. Zinc ore and lead ore are also found.

The fisheries off the coast are valuable, but are mostly in the hands of foreign fishermen. The principal fish, in order of value, are the tunny, allache, sardine, and anchovy.

Towns and Railways. *Tunis*, the capital, with a population of 228,000, is connected with the sea at *Goletta* by a canal 21 ft. deep cut through a lagoon that was formerly the mouth of the Majerda. *Sfax* is an important port on the north of the Gulf of Gabes. *Bizerta*, on the north coast, has been made a strong naval base by the French. *Susa* is a port and railway centre, and, like Sfax and Gabes, is the terminus of caravan routes. *Kairouan*, an old capital, is a caravan centre. All the ports are connected with one another, and with France, Algeria, Corsica, and Malta by the Compagnie Generale Transatlantique.

The railways run chiefly in the north, where they are a continuation of the Bone-Guelma system of Algeria. The principal lines radiate from Tunis to Bizerta, Constantine (Algeria), Kef, Susa, and the east coast, and Goletta. From Kairouan a line runs to Susa, and there is a mineral railway from the Algerian border, through Gafsa to Sfax.

Trade. The imports average over £24,000,000 annually. They consist principally of iron and hardware, flour and grain, machinery, cotton goods, coal, timber, sugar, woollen and other textiles, tobacco, and petroleum. The exports average £3,750,000 annually, and consist principally of olive oil, esparto, grain (chiefly oats), hides, zinc ore, copper ore, cattle, wool, lead ore, and phosphates. The bulk of the trade is with France and Algeria, Great Britain with Malta, Italy and Germany being the chief foreign countries.

FRENCH WEST AFRICA. This territory extends from May Anna to Dahomey. It consists of Senegal, Upper Senegal, and Niger, French Guinea, Ivory Coast, and Dahomey. The whole territory is about 1,500,000 square miles, with a population of about 9,000,000. The products of this region are millet, maize, ground nuts, rice gum, rubber, and castor beans. The only industries are pottery and weaving. The capital of Senegal is *St. Louis* (25,000).

FRENCH EQUATORIAL AFRICA. French Equatorial Africa, formerly French Congo, lies on the west coast of Africa, north of the Congo, and

has a coast line on both sides of the Equator. It extends inland and northward to Lake Chad and the Bahr-el-Ghazal, and by the terms of the Treaty of Peace the German territory of the Kameruns has been added to it. It now has an area of about 600,000 square miles.

The country is not suited for settlement by Europeans, and the natives are not of a type to engage in arduous manual labour, so that attempts to work the natural resources have not met with much success. Coffee, vanilla, and cocoa grow well, but woods and rubber from the forests are the principal products. Copper is mined to some extent at Mindouli.

The ports are *Libreville*, the capital of Gabon, with a harbour suitable for small vessels; and *Loango*. The lack of roads and railways is a great drawback to the development of the country.

Brassaville, the capital of Middle Congo, is on the river, and so in water communication with a great stretch of territory; but between it and Loango, the nearest French port, are high ridges and dense forests. A railway is projected between the two towns, which are joined by telegraph, to be ultimately linked with the German East African system.

Fort-de-Possess is the capital of the northern colony.

Mao is the capital of the native State of Kanem; and

Abeshr, the capital of Wadai, is the southern terminus of the caravan routes across the Sahara, through Fezza to Benghazi on the Mediterranean.

REUNION. Reunion (at one time called Bourbon) is a volcanic island, 420 miles east of Madagascar. It has an area of 965 square miles and a population of 178,000. The highest point, *Piton des Neiges* in the north-west, is 10,070 ft. high, and *Piton des Fournaise*, a still active volcano, 6,612 ft. On account of the mountainous character of the island, the chief towns are on or near the coast.

Pointe-des-Galets is the chief port.

St. Denis, the capital, with a population of 25,689, is in the extreme north of the island. It is connected by rail with *St. Benoit* on the east coast and through *St. Paul* (20,091) to *St. Louis* (12,846), and *St. Pierre* (31,927) on the south-west. On the south coast are *St. Joseph* and *St. Philippe*. Inland, facing north-east, are the Sanatoria of *Hellbourg* and *Salazie*, at a height of about 2,500 ft. A submarine cable connects the island with Tamatave in Madagascar.

At first noted for coffee, Reunion became, during last century, a great sugar producing island, until the extended cultivation of beet in Europe, when it rapidly fell off. Its production of sugar is now less than one-half of what it was fifty years ago. Sugar is, however, still the chief export, other exports being rum, coffee, tapioca, vanilla, and spices.

The colony has considerable powers of self-government, and sends a senator and two deputies to Paris.

MADAGASCAR. Position, Area, and Population. Madagascar is a large island in the Indian Ocean, off the south-east coast of Africa, from which it is separated by the Mozambique Channel, 230 miles wide at the narrowest part. It runs north and south a distance of 980 miles between parallels 12° and 25° S., so that it lies chiefly within the tropics.

The greatest width (360 miles) occurs about the middle. The range of longitude is from 43° to 50½° E. The area is 228,000 square miles, and the population 3,200,000.

Its position in the southern hemisphere corresponds roughly to that of India in the northern hemisphere, Bombay being rather nearer to the Equator than Antananarivo, its capital.

Throughout its length runs a range of high land, the highest point of which, Ankaratra, an extinct volcano, is 9,000 ft. above the sea. This range, lying close to the east coast, gives the western half of the island a long slope to the sea, with some navigable rivers.

A remarkable feature of the east coast is its evenness and straightness from Foulpointe southwards for a distance of close on 500 miles. Between the coast and the mountains is a narrow, flat plain, with many lagoons, which afford navigation for light canoes, and might easily be connected so as to form a continuous waterway for such craft, parallel to the coast, and protected from the sea.

The largest rivers in the west are the Betsiboka, Tsimihuna, Mangoky, and Omilahy. These are navigable for light draught vessels for long distances, which in some cases could easily be extended by the artificial clearing of the channel. The eastern rivers, from the very nature of the country, are short and rapid, flowing through deep, steep-sided valleys. The largest is the Mangoro.

Climate. There are two seasons: a hot, rainy season from November till April, and a cool season for the rest of the year. This division is not altogether applicable to the steep eastern side, which, being exposed to the south-east trade winds throughout the greater part of the year, has a much longer rainy season.

The People. The people of Madagascar are known collectively as the Malagasy. They are divided into many sections, with intermixtures in various parts of Negro, Arab, and Melanesian blood. The dominant race are the Hovas, whose language is understood almost universally.

Products. Although the island is rich in tropical forest products, and the mineral wealth is considerable, the principal occupations are agriculture and cattle rearing, nearly 3,000,000 cattle being kept.

Foreigners are allowed to hold land, and the minerals are now being exploited, chiefly by Europeans, gold being the most valuable export.

Trade and Transport. Before the French occupation there were no roads suitable for wheeled traffic, and goods are still carried to a large extent by porters.

Antananarivo, the capital, with a population of 75,000, stands on a fertile and populous plateau, and has an increasing number of administrative, educational, and ecclesiastical buildings. The only town of size, besides the capital, is *Fianarantsoa*, with a population of 27,000. Other towns, with their population are: *Tamatave* (7,000), *Andovoranto* (5,600), *Majunga* (4,600), *Diego Suarez* (4,500), *Ambositra* (3,000), *Tulcar* (3,000), *Mananjary* (2,600), and *Fort Dauphin*.

Diego Suarez, at one time a separate colony, and the islands of *Nossi Bé* and *Sainte Marie* are now incorporated with Madagascar.

The capital is now linked by wagon roads with the ports of *Mojunga*, at the mouth of the Betsiboka, on the north-west, and *Tamatave* on the east. A railway is almost completed along the latter route. South of *Tamatave*, the line of lagoons allows small boats to traverse the coast region for considerable distances.

The bulk of the commerce is with France, the United Kingdom being a bad second.

The exports, valued on an average at a million sterling, are gold, hides, *rafia*, rubber, wax, and vanilla.

The Comoro Islands, at the northern end of the Mozambique Channel, are also administered as a part of Madagascar. They have an area of about 750 square miles and a population of nearly 100,000. The largest are Grande Comoro, Moheli or Mohilla, Anjoman or Johanna, and Mayotte. In Grande Comoro the forest supplies timber specially suited for railway sleepers. Vanilla, cacao, sugar, aloes, and perfume plants are grown in the other islands for export.

The remaining French possession in Africa is a small portion of the Somali Coast, which needs no further mention.

FRENCH INDIA AND INDO-CHINA. **FRENCH INDIA** has an area of about 196 square miles, and a population of about 290,000. It consists of the five towns, *Pondicherry* (47,000), *Karikal* (17,000), *Chandanagar* (23,000), *Mahé* (10,000), and *Yanaon* (5,000), with the surrounding territories. Rice is the principal crop, and oil-seeds the chief export. *Pondicherry*, which is in monthly communication with Colombo by a branch of the Messageries Maritimes, together with *Karikal* and *Mahé*, exports goods to the value of over a million, the imports being about a quarter of a million. *Pondicherry* also manufactures cotton, and is connected with *Villapioam* by a short railway.

FRENCH INDO-CHINA has an area of about 300,000 square miles and a population of about 18,000,000, including the leased territory of the south-west of China on longitude 110½° E., known as Kwang-Chau-Wan.

The boundary of French Indo-China on the west is the upper Mekong. When that river enters the lowlands the boundary runs west and south-west, so that its lower course runs entirely in French territory. The country is divided into five parts: Tonking, Annam, Laos, Cambodia, and Cochinchina.

TONKING is in the north-east of the country, and consists mainly of the lower Song-ka basin. On the low-lying river lands rice is grown for export to Hong-kong. Sugar cane, cotton, silk, cardamoms, and tobacco are also grown.

Hanoi, or *Kescho*, with a population of 150,000, is now the capital of the whole of French Indo-China. It has some cotton manufactures, as has also *Haiphong*, the chief port. The exports, to the value of £2,250,000, consist chiefly of rice. Metal goods, machinery, and textiles are imported to about the same amount. Both imports and exports are valued at nearly two and a half million sterling.

ANNAM, to the south of Tonking, has an area of about 52,000 square miles, and a population of mixed origin, of over 6,000,000. It is divided longitudinally into two unequal parts by a range of mountains, which almost prevents communication between east and west. On the damp eastern slopes are dense forests. In the lowlands extensive irrigation works have been made for the growing of rice and other crops.

The chief staple products are rice, sugar, timber, bamboo, rubber, and plants yielding dyes and medicines. The chief minerals are iron, coal, gold, zinc, and copper.

Hue (50,000) is the capital, and *Binh Binh* or *Kanh hoa* (75,000) the largest town. The ports open for European traffic are *Xuan Day*, *Quinhon*, and *Turan*.

The chief exports are rice and sugar, and chief imports, cottons. The total value of this trade is only about three-quarters of a million sterling.

LAOS is an inland mountain country, which can be approached most easily along the Mekong, although this route is interrupted by rapids. It has an area of about 98,000 square miles and a population of less than 750,000.

Vientiane is the centre of Government, which as yet, however, has not sufficient control of the natives to allow of commercial enterprise of any importance.

CAMBODIA consists mainly of part of the plain of the lower Mekong, although it is hilly in the west. It has an area of 45,000 square miles and a population of nearly 2,000,000.

Pnom Penh, with a population of 50,000, is the capital.

The chief port, *Kamput*, is suitable only for small vessels, most of the commerce of the country going down the Mekong to Saigon. The total trade is only about £200,000.

COCHIN CHINA. This district consists of the delta and other low-lying lands at the mouth of the Mekong. It has an area of 20,000 square miles and a population of about 3,000,000.

The lowness of the land makes extensive irrigation possible, and large quantities of rice are grown. Maize, cotton, cane sugar, tobacco, and bananas are also produced. Large numbers of domestic animals, especially pigs and buffaloes, are found. Large numbers of fish are caught both in the rivers and in the sea.

The largest town is *Cholon*, with a population of about 130,000 inhabitants, and *Saigon*, with 51,000, the capital. Both have large rice mills.

Commercially, Cochin China is the most important part of French Indo-China, the exports being valued at over £6,000,000 per annum, and the imports £5,500,000. The principal exports are rice, fish products, pepper, cotton, and hides.

FRENCH POSSESSIONS IN AMERICA. *St. Pierre and Miquelon*. *St. Pierre* and *Miquelon* are two small islands immediately to the south of Newfoundland, important as the base of the French fisheries on the Banks, in which the whole population is directly or indirectly engaged, but the soil and climate render agriculture and like pursuits impossible. *St. Pierre*, the smaller island, is the more important. It has an area of 10 square miles and a population of 4,300. *Miquelon*, with an area of 83 square miles, has a population of only 505.

The commerce of the islands consists of the export of cod and fish products in exchange for textiles, food-stuffs, salt, and wines.

FRENCH WEST INDIES. In the West Indies France has *Martinique* and the *Guadeloupe* group, with a total area of 1,069 square miles and a population of 372,000.

Martinique, a volcanic island, with an area of 381 square miles and a population of 182,000, produces sugar, cocoa, and rum in considerable quantities, there being fifteen sugar works and sixty-three distilleries.

The largest town, *Fort-de-France*, has a population of 21,000.

Guadeloupe consists of the double island or *Basse Terre* (or *Guadeloupe*) and *Grand-Terre*, with the smaller islands of *Marie Gallante*, *Les Saintes*, *Desirade*, *St. Barthelemy*, and *St. Martin*, the whole having an area of 638 square miles and

a population of 190,000. There are valuable forests almost untouched. The chief exports are sugar, coffee, rum, and cocoa.

Basse Terre, *Pointe-à-Pitre*, and *St. Pierre*. In these islands the competition of beet sugar has led to a decline of prosperity and the disappearance of the planters, who are replaced by negroes and mixed races. Tobacco and other crops are under special regulations with a view to restoring the prosperity of the colonies.

On the mainland of South America France possesses the territory known as *French Guiana* or *Cayenne*. (See *GUIANA*.)

FRENCH POSSESSIONS IN AUSTRALASIA.—France has several islands in the Pacific, and the most important of these is *New Caledonia*, which is mainly a penal settlement. The *Society Islands* are of no real commercial importance. *New Hebrides* is under a joint Franco-British administration.

FRANKINCENSE.—A yellowish gum resin with a bitter taste, and possessing an agreeable odour when burned. It is obtained from certain species of firs and pines, and is brought from India, Arabia, and Somaliland, that from the first-named country being the best in quality. It is employed in many religious rites, for certain kinds of plasters, and for fumigating powders.

FRAUD.—Fraud is a word of very wide signification, and is often used to denote any dishonest dealing, but in law it has come to mean, generally speaking, a false representation of facts, made with a full knowledge of its falsehood, or made recklessly without any belief in its truth, or not caring whether it is true or not, with the intention that such representation should be acted upon by the party who is defrauded, and actually inducing him to act upon it.

Fraud is always a good ground for seeking the avoidance of a contract, although it does not of itself render the contract void. When a person has been induced to enter into a contract by reason of a fraudulent representation, he may either repudiate the contract or he may adopt it, but in the latter case he is entitled to sue for any damages which he may have sustained. It is, however, important that the person who has been defrauded should take action without undue delay, otherwise he will be considered to have waived his rights.

Any fraudulent statements which are made in writing as to a person's financial stability, and upon which another person acts to his own detriment, may give rise to an action for deceit (*q.v.*). Again, directors are liable for fraudulent statements contained in a prospectus inviting the public to apply for shares in a joint stock company, unless they are able to claim the protection accorded by the Companies (Consolidation) Act, 1908, which has now replaced the special provisions contained in the Directors' Liability Act, 1890.

Also a principal is liable for the fraud of his agent, if such fraud is connected with the ordinary conduct of the agency (*q.v.*).

Gifts and conveyances of property, whether of lands or chattels, are fraudulent if they are made for the purpose of delaying or defrauding creditors, and as such they are null and void against the creditors. This rule, however, does not extend to conveyances that are made for valuable consideration and *bond fide* to persons who have no notice of the fraud. But there may be circumstances in which fraud will be presumed from the very nature of the transactions.

As to fraudulent transactions in bankruptcy, see FRAUDULENT PREFERENCE.

FRAUDS, STATUTE OF.—The Statute of Frauds (29 Car. 2, c. 3), which was passed in 1677, still remains one of the keystones of English law, and a great practical protection of the citizen against bogus or vexatious or fraudulent actions at law. This protection it affords by requiring certain transactions to be put into writing, and by providing that in certain other cases an action cannot be brought to enforce a promise or contract unless the terms of the alleged contract are evidenced by some adequate written document. The first class may be dismissed in a few words, since, though of the greatest possible importance to conveyancers and those having dealings in land, they are not intimately connected with ordinary mercantile transactions—they provide, as supplemented by the Law of Real Property Act, 1845, that all conveyances of land, all legal mortgages, and all leases of land or buildings for more than three years, or where the rent is not equal to two-thirds of the annual value of the premises, and all assignments and surrenders of leases, must be made by deed (*q.v.*)

The other class demands more detailed treatment. By Section 4 of the Act it is provided that—

"No action shall be brought (1) whereby to charge any executor or administrator upon any special promise to answer damages out of his own estate; or

"(2) whereby to charge the defendant upon any special promise to answer for the debt, default, or miscarriage of another person; or

"(3) to charge any person upon any agreement made in consideration of marriage; or

"(4) upon any contract or sale of lands, tenements, or hereditaments, or any interest in or concerning them; or

"(5) upon any agreement that is not to be performed within the space of one year from the making thereof: unless the agreement upon which such action shall be brought, or some memorandum or note thereof, shall be in writing, and signed by the party to be charged therewith, or some other person thereunto by him lawfully authorised."

It will be observed that the presence or absence of writing does not affect the validity of the contract in question, all that the Section provides is that a party shall not have the assistance of the courts of law to enforce his rights in any one of these particular contracts, unless he has obtained, before action is brought, such a memorandum or note in writing, signed by or on behalf of the other party, as satisfies the requirements of the statute.

Of the five special contracts named in the Section, only Nos. (2) and (5) really come within the range of mercantile transactions. Contracts of guarantee or suretyship are fully treated under the heading GUARANTEE (*q.v.*), and there only remains the contract extending over a year to be dealt with in this article.

As regards contracts of this nature, the statute only applies where the contract clearly shows that the parties contemplated that its performance should extend over a longer period than one year; if it is possible that the contract may be performed within the year by both parties, though, in fact, it is not so performed, the statute does not apply. On the other hand, the mere fact that a contract, which contemplates that its performance will extend over a longer period than a year, may be terminated,

or is, in fact, terminated during the year, does not prevent the application of the statute. The question whether the statute applies or not is often raised in connection with contracts of service (as to these, see MASTER AND SERVANT); if the contract of service is for more than a year, or is for a year's service to commence at a future day, it must be evidenced by writing. For legal reasons which we need not here enter into, it has been held that a contract for a year's service to commence on the day after the day on which the agreement is made is not within the statute, and does not require to be in writing (see *Smith v. Gold Coast and Ashanti Explorers, Ltd.*, 1903, 1 K.B. 538). A hiring for an indefinite period, and a general hiring from year to year, are not within the statute. An agreement for employment for a period of two or more years, subject to six months' notice on either side during the period, is within the statute, and must be evidenced by writing (*Hanau v. Ehrlich*, 1912, A.C. 39).

The memorandum or note in writing required by the statute need not be made at the time the contract is entered into, it is sufficient if it is obtained at any time before the writ or summons is issued, which commences the action brought to enforce the contract. No special form is required, and it need not be in the nature of an agreement, so long as it sets out the parties, either by name or sufficient description, the consideration (*q.v.*), the subject-matter, and the other terms of the contract, and bears the essential signature. If these elements are present in a document having no relation at all to the actual contract, or even denying its existence or repudiating it, that document may be used as evidence of the contract, in order to satisfy the statute. A recital in a deed or will, a receipt, an entry in a minute book, a telegram, an affidavit, a bill of exchange, a letter from the defendant to a third person, have all been held to be sufficient when they contained the necessary details. Two or more documents may be read together so as to make a memorandum; a common example of this is a letter and the envelope in which it was delivered, where the letter contains all the necessary matter but the name of the addressee, which may be supplied by the production of the envelope.

The signature may be in ink, in pencil, by means of a rubber or other stamp, by initials, and even a printed heading of the name of the party has been held a sufficient signature by him when the rest of the document was in his handwriting. The signature on the form of instructions for a telegram is sufficient and if a person unable to write makes a mark, or has his hand guided while he holds the pen, there is a signature that meets the requirement. The signature, however made, must be so placed as to show that it was intended to relate to and authenticate the whole document; and if it does this it does not matter whether it is placed at the foot, the top, or in the body of the document. The signature may be made by an agent, but in such a case the plaintiff must be in a position to prove that the agent had authority to sign.

The memorandum or note, or one of the documents constituting it, if it has to be read from several documents, may require to be stamped with a 6d. stamp. (See AGREEMENT for the documents that are exempt from stamp duty.)

Until the passing of the Sale of Goods Act, 1933, contracts for the sale of goods above the value of £10 had to comply with the requirements of

Section 17 of the Statute of Frauds, but that Section was repealed and re-enacted by Section 4 of the later Act. (See SALE OF GOODS)

Other Sections of the Statute of Frauds require that all declarations or creations of trusts of lands, except those arising by implication of law, and all grants and assignments of trusts, must be in writing in order to be valid.

FRAUDULENT CONVEYANCE.—A voluntary conveyance which is made by a person who afterwards becomes bankrupt within a certain period of time after the execution of the conveyance. Any such voluntary conveyance made within two years of the bankruptcy is absolutely null and void, and if made within ten years of the bankruptcy it is also null and void, unless it is proved that at the time of the making of the conveyance the bankrupt was able to pay his debts in full without taking into consideration the property comprised in the conveyance.

FRAUDULENT DEBTORS.—The administration of the law of bankruptcy would be a matter of some difficulty, unless it were possible to visit the fraudulent debtor with pains and penalties.

By an Act passed in 1869—the Debtors' Act (*7.v.*)—it was accordingly provided that any person adjudged a bankrupt is guilty of a misdemeanour, and on conviction may be imprisoned with hard labour in each of the following cases, unless he satisfies the court he had no intent to defraud—

(1) If he does not fully and truly discover to the trustee (in bankruptcy) all his property, and how, and to whom, and for what consideration, and when he disposed of any part thereof, except such part as has been disposed of in the ordinary way of his trade (if any) or laid out in the ordinary expense of his family;

(2) If he does not deliver up to the trustee, property in his custody or under his control, and which he is required by law to deliver up;

(3) If he does not deliver up to such trustee, or as he directs, all books, etc., in his custody or under his control relating to his property or affairs;

(4) If after the presentation of a petition, or within four months next before that date, he conceals any part of his property to the value of £10 or upwards, or conceals any debt due to or from him;

(5) If he makes any material omission in any statement relating to his affairs.

The law has been strengthened in several respects against fraudulent debtors by the various Bankruptcy Acts, more particularly by the last of them, namely, that of 1914, and a bankrupt also commits an offence if, after the presentation of a petition by or against him, or within four months next before such presentation, he fraudulently removes any part of his property of the value of £10 or upwards; or if, knowing or believing that a false debt has been proved by any person under the bankruptcy, he fails for a month to inform the trustee of the fact.

He also commits offences in the following cases, unless the court is satisfied that he had no intent to conceal the state of his affairs or to defeat the law—

(a) If after the presentation of a petition he prevents the production of any book, etc., affecting or relating to his property or affairs;

(b) If after the presentation of a petition, or within six months next before such presentation, he conceals, destroys, mutilates, or falsifies, or is

privity to the concealment, destruction, etc., of any book or document affecting or relating to his property or affairs;

(c) If after petition by or against him, or within six months next before the date of the petition, he makes or is privy to the making of any false entry in any book or document affecting or relating to his property or affairs.

He also commits offences in the following cases—

(a) If after the presentation of a petition or within six months next before such presentation he fraudulently parts with, alters, or makes any omission, or is privy to the fraudulently parting with, altering, or making any omission in any document affecting or relating to his property or affairs;

(b) If after the presentation of a petition, or at any meeting of his creditors within six months next before such presentation, he attempts to account for any part of his property by fictitious losses or expenses;

(c) If within six months next before the presentation of a petition he, by any false representation or any other fraud, has obtained any property on credit and has not paid for the same;

(d) If he is guilty of any false representation or other fraud for the purpose of obtaining the consent of his creditors or any of them to any agreement with reference to his affairs or his bankruptcy.

If a debtor is a trader, he commits an offence (unless he satisfies the court that he had no intent to defraud) if within six months before the date of a petition he obtains under the false pretence of carrying on business and dealing in the ordinary way of his trade, any property on credit, and has not paid for the same; or if he pawns, pledges, or disposes, otherwise than in the ordinary way of his trade, of any property which he has obtained on credit and has not paid for, unless the court is satisfied that he had no intention to defraud.

In relation to bankruptcy, it is also necessary to bear in mind the following offences—

If a man who is adjudged bankrupt, or in respect of whose estate a receiving order has been made, either after the presentation of a petition or within four months before that date quits England and takes with him or attempts to take any property to the amount of £20 or upwards, which ought by law to be divided among his creditors, he shall (unless the court is satisfied that he had no intent to defraud) be guilty of felony and punishable with one year's imprisonment. Again, where an undischarged bankrupt obtains credit to the extent of £10 or upwards, whether by himself or in conjunction with some other person, from any person without informing such person that he is an undischarged bankrupt, he is guilty of a misdemeanour.

In the application of the provisions of the Act of 1914, to books of account relating to trade or business—their non-production, concealment, mutilation, falsification, etc.—the period of two years before the presentation of the bankruptcy petition is substituted for the period of six months which is otherwise stipulated for.

There are other offences of which a debtor may be found guilty wholly apart from the law of bankruptcy. Thus it is an offence—

(a) if in incurring any debt or liability, a man obtains credit under false pretences, or by means of any other fraud;

(b) if he has with intent to defraud his creditors, or any of them, made or caused to be made any gift, delivery, or transfer of, or any charge on, his property;

(c) if he has with intent to defraud his creditors concealed or removed any part of his property since or within two months before the date of any unsatisfied judgment or order for payment of money obtained against him.

If a trustee in bankruptcy reports that a bankrupt has been guilty of an offence, the court, if satisfied on the representation of any creditor or member of the committee of inspection that the bankrupt is guilty, and that there is reasonable probability of a conviction, may order the trustee to prosecute. The court will not try the question whether the evidence is sufficient to induce a jury to find the prisoner guilty, but a prosecution will not be directed on mere suspicion. Where there is ground to believe that the bankrupt or any other person has been guilty of the offences above referred to, the court may commit him for trial, and may take depositions, and bind over witnesses to appear, admit the accused to bail, or otherwise. Where a debtor has been guilty of any criminal offence, he does not become exempt from prosecution by reason that he has obtained his discharge or that a composition or scheme of arrangement has been accepted or approved.

FRAUDULENT PREFERENCE (and see **UNDUE PREFERENCE**)—A "fraudulent preference" means payment made by a debtor to some one or more of his creditors with a view to putting him or them in a position of advantage compared with other creditors. Thus, if a man who owed £1,000 to various creditors made over all his assets (say, £200) to one creditor to whom he owed that sum, there would be nothing left for other creditors. The law of bankruptcy, therefore, provides that every conveyance or transference of property, or charge thereon made, every payment made, every obligation incurred, and every judicial proceeding taken or suffered by any person unable to pay his debts as they become due from his own money, in favour of any creditor, or any person in trust for any creditor, with a view of giving such creditor a preference over the other creditors, shall, if the person making, taking, paying, or suffering the same is adjudged bankrupt on a bankruptcy petition presented within three months after the date of making or taking, paying, or suffering the same, be deemed fraudulent and void as against the trustee in the bankruptcy. The rights of any person making title in good faith and for valuable consideration through or under a creditor of the bankrupt are not, however, affected. A debtor making any conveyance or transfer of his property, which is void as a fraudulent preference, commits an act of bankruptcy (*q.v.*). It is essential (1) that the conveyance, etc., be by a person unable to pay his debts as they become due, (2) that it be made with a view to giving a creditor a preference over creditors. It is sufficient, to constitute the statutory fraudulent preference, that the preferring creditor was the substantial, effectual, or dominant view with which the debtor made the preference. The "preference" must be voluntary on the part of the debtor; for a payment under pressure is no preference, unless, indeed, the desire to prefer was the dominant view operating in the mind of the person who made the payment. A payment of trade bills by a person who knows himself to be

insolvent, but who is continuing to carry on business, is not necessarily a fraudulent preference, the inference being that the payment was made to carry on his business. The following are not fraudulent preferences: Payments made—in pursuance of a precedent contract; in apprehension of legal proceedings, where the debtor honestly believes he is under legal obligation to pay; with a view to preventing a surety being called upon to pay. That the object of the legislature is to prevent every kind of fraudulent preference appears from the provision that "to suffer a judicial proceeding" is to be guilty of a fraudulent preference. The onus of proving that a transaction is a fraudulent preference lies on the trustee in bankruptcy; and it will not be sufficient to show that the debtor was insolvent; he must give some evidence of a desire to prefer on the part of a debtor. In calculating the period of three months, the day of presentation of the petition is to be excluded. The fact that an undue preference is given to a creditor is ground for refusing the discharge. An undue preference is wider than a fraudulent preference. To pay a creditor in full, although he was likely to be a preferred creditor, would be to show him undue preference.

FREE ALONGSIDE SHIP.—This is a commercial phrase indicating that goods are sold, including free delivery, alongside the ship. The cost of placing the goods on board the ship must be borne by the purchaser.

FREEBENCH.—This is the right of a widow to a life interest in the copyhold estates of her deceased intestate husband under certain conditions. It has been thus treated of by a well-known legal authority: "A special custom is required to entitle the wife to any interest in the lands of her husband after his decease. Where such custom exists, the wife's interest is termed her freebench, and it generally consists of a life interest in one divided third part of the lands, or sometimes of a life interest in the entirety." Obviously, therefore, freebench corresponds in many respects to **DOWER**, which is the widow's right in respect of the freeholds of her deceased intestate husband. (See **DOWER, TESTACY**.)

FREEHOLD PROPERTY.—Three kinds of estates are known as freehold property, viz., lands held in fee simple, in fee tail, or for life. Each of these estates is dealt with in separate articles. But, in common language, an estate of freehold is generally taken to signify an estate in fee simple, which is the highest form of property which can be held in land, and which for most practical purposes means absolute ownership. In such a case the holder, or tenant in fee simple as he is technically called, can dispose of his land either by conveying the same during his lifetime or devising it by will, whereas in the case of a tenancy in fee tail the law directs the method of its devolution; and in the case of a tenancy for life it comes to an end on the death of a tenant, though each of these last two tenants may deal with the land during his lifetime to a certain limited extent. In theory, as is well known, there is no such thing as absolute ownership of land, and any holder is at the best a tenant of the Crown, even though no services are demanded or due.

FREE OF ALL AVERAGE.—This phrase signifies that no claims made for general and particular average can be recovered under any marine insurance policy which contains this clause. The

insurance under such a policy is against total loss only. (See AVERAGE.)

FREE OF CAPTURE AND SEIZURE.—The modern Lloyd's marine policy contains the following warranty: "Warranted free of capture, seizure, and detention, and the consequences thereof, or of any attempt thereat, piracy excepted, and also from all consequences of hostilities or warlike operations, whether before or after declaration of war." The object of this warranty is to free the underwriters from liability under the words "arrests, restraints, and detentions" in the policy. "In the construction of this warranty, it is observable that 'capture' and 'seizure' do not mean the same thing. 'Capture' would seem properly to include every act of seizing or taking by an enemy or belligerent. 'Seizure' seems to be a larger term than 'capture,' and goes beyond it, and may reasonably be interpreted to embrace every act of taking forcible possession either by a lawful authority or by overpowering force" (*Cory v. Burr*, 1883, 8 App. Cas. at p. 405). If a ship with such a warranty is lost under such circumstances that the proximate cause of loss is perils of the seas, though she is also captured and condemned, the underwriter will not be protected by the warranty; on the other hand, although she may have been severely damaged by sea perils and thereby exposed to seizure, yet if the capture and condemnation are the proximate cause of loss, the underwriter will be discharged.

FREE OF PARTICULAR AVERAGE.—In those cases where such a clause is inserted in a marine insurance policy, the underwriters (*qv*) only insure the goods which are covered by the policy against damage or partial loss in case the ship, craft, or any conveyance, or the interest insured, is stranded, sunk, burned, on fire, or in collision. The ordinary perils of the sea are not insured against, even though the goods may be rendered absolutely worthless. When an insurance is effected in this manner, the goods are said to be free of particular average.

FREE ON BOARD.—This term signifies that the vendor of the goods puts them on board ship free of all charges to the purchaser.

FREE ON BOARD AND TRIMMED.—This is a phrase used in the coal trade. Sales of bunker coal are usually made "F.O.B. and Trimmed," which means that the coal shall be properly stowed after being put on board.

FREE OVERSIDE.—When goods are sold "free overside," the responsibility of the seller ceases as soon as the goods leave the slings overside the ship, and in such a case the buyer must provide his own barge or vessel in which to receive them.

FREE PORT.—Any port in which no export or import duties are levied. This is the proper meaning of the term, but it is also applied to certain Chinese ports which are equally open to all nations for purposes of trade, irrespective of any duties which are charged.

FREE TRADE.—The abolition of the Corn Laws in 1846 was a striking climax to a movement in the direction of what its friends call "the removal of interference," or the "liberty" of the subject, and what its opponents call "Anarchy plus the constable." It marked the triumph of the "obvious and simple system of natural liberty," when all systems of preference and restraint were taken away, so that each man could pursue his own interest in his own way, and bring both his industry

and capital into competition with those of any other man or order of men. This is, indeed, the meaning that must be attached to the expression "Free Trade." It implies not absolutely uncontrolled traffic, but (1) a removal of all artificial restrictions on any particular industry; (2) the abolition of bounties, or other artificial encouragements to industry; (3) the adoption of a tariff for revenue purposes solely; and, consequently, (4) where customs duties are levied, the imposition of equivalent excise duties. The essence of the policy is equality and uniformity in the financial treatment of all produce of the same kind, whether home, colonial, or foreign. The arguments which, aided by the circumstances of the time—"Famine itself joined the Anti-Corn Law League"—ultimately succeeded in persuading our legislature to adopt Free Trade as a principle were—

1. Protection diverts industry from more to less advantageous employment. Freedom from restraint is calculated to give the best direction to the capital and industry of the country. Protection always involves a loss. If manufactured goods are, owing to prohibition or restriction of foreign products, produced at home when they could be more cheaply imported from abroad, we lose the difference between what we should have paid and what we are now obliged to pay. The difference goes to the home producer to compensate him for producing under less favourable conditions than those of his foreign rival. For, unless he has a monopoly against his countrymen, he will not be enabled to retain exceptional profits. If agricultural produce must pay custom, we pay dearer for our food. The difference is, partly, indemnity for loss to those who produce the amount of corn formerly imported; for this last increment will be produced in the least advantageous circumstances, and the cost of production of this portion regulates the price of the whole supply. But the increased price is mainly payment to the landlords in increased rents. The freest import of wheat certainly assures abundance and cheapness, while trade is undisturbed. That country is most steadily as well as most abundantly supplied with food which draws its supplies from the largest surface. "It is ridiculous to found a general system of policy on so chimerical a danger as that of being at war with all the nations of the world at once; or to suppose that, even if inferior at sea, a whole country could be blockaded like a town, or that the growers of food in other countries would not be as anxious not to lose an advantageous market, as we should be not to be deprived of their corn" (J. S. Mill).

The position here considered is that which existed before the Great War of 1914-18. The circumstances of those years made the speculations of the great advocates of Free Trade very questionable for that exceptional period. The subject, however, is too highly controversial for discussion in these pages, and the whole matter cannot be treated except in the most general manner.

Free Trade considers the consumer; Protection regards primarily the producer. Cheapness of supplies is the aim of the one, abundance of employment is the object of the other. The freest importation of goods, says the Free Trader, will not affect the industry of a country; it will only decide in what direction it shall be applied; for the imports must be paid for, and the payments must be by exports. The labour and capital might, owing to

foreign competition, have to be diverted to "something else"; but this would speedily happen. New occupations would be found, and the former supplies would be obtained by less labour, or larger supplies by the same labour. The assumption here is, of course, the perfect mobility of capital and labour; but as the great apostle of Free Trade, Adam Smith himself, said: "It is evident from experience that a man is, of all sorts of baggage, the most difficult to be transported." A workman with a highly specialised training will find it difficult to find corresponding trades for the exercise of his skill. The transference will, no doubt, be effected after a longer or shorter interval; but the period of transition may be one of great hardship. Upon this matter comparison used to be made with Germany before the war. At the present moment such comparisons are not at all relevant.

The very fact that an industry must be protected means that it involves an uneconomic application of labour and capital. Though it might be possible to grow grapes in Scotland and even to make some tolerable wine from them, it will be much cheaper to import the grapes and wine from France, and the quality of both will be higher. There is manifest absurdity in attempting to divert capital and labour to the production of home-made wine. Remove Protection, and there is a saving all round: the return previously was so much wheat for so much labour employed on the field; the return is now more wheat for the same labour employed in the cotton factory or the iron works. This argument, says he who advocates the fostering of varied industries, has reference to the moment only; a temporary loss may be replaced by a far greater permanent benefit. The advantages that one country has over another in the production of a certain article may not be natural, but due simply to the start obtained. A trifling sacrifice in the present owing to increased prices may result in the establishing of a flourishing industry, able after a while to produce more cheaply than the foreigner. The loss of present enjoyment is more than balanced by the gain in productive power. And, indeed, John Stuart Mill gave the sanction of his great authority to this "infant industries argument."

"Protective duties can be defensible, on mere grounds of political economy, when they are imposed temporarily (especially in a young and rising nation) in hopes of naturalising a foreign industry in itself perfectly suitable to the circumstances. The superiority of one country over another in a branch of industry often arises only from its having begun sooner. A country which has this skill and experience to acquire may, in other respects, be better adapted to the production than those earlier in the field."

Our self-governing Dominions have acted according to this reasoning; and though their infant industries ought now to have reached maturity, the protection deemed needful for them when young and tender is not taken away. Few may be really benefited by the protective duties, but many imagine that they are; and both parties unite in opposition when removal is mooted. Moreover, it is only to be expected that the State, with its ever-present want of money, will be little anxious to abolish the only taxes which have zealous and enthusiastic defenders.

A variation of the "infant industries" argument has recently, however, been much in vogue. A country advanced in civilisation, where the "standard

of life" is high, must, if it is to continue to pay good wages, protect itself against the products of pauper labour abroad. We must, say the Americans, not only keep out immigrants, with a standard of life much lower than our own; but we must keep out their products too.

2. A second argument for Free Trade was that greater importation would lead to greater exportation, and wider markets would thus be obtained for our textiles and other goods. At the time, the enormous impetus of the mechanical inventions had given Britain a great start in the industrial race, and she possessed a partial monopoly of manufactures. The competition of a foreigner in the home market was undreamt of.

The nations of the world were to remain agricultural and depend on us for manufactures. The least restricted trade would be best if the hope and expectation had been realised; but times have changed. The great nations of the world have refused to confine their energies to the production of raw material and food stuffs. They are no longer simply customers or even pupils to us in manufactures. Their rivalry now is felt in neutral markets. And though British direction and skill is, in the first instance, utilised, it is speedily dispensed with; and the country becomes independent of us for the supply of that particular product. And with the increased facilities for transport now available, for transfer of both labour and capital, the tendency for the producer to place himself in the neighbourhood of the consumer will be strengthened.

The great object of the "Manchester School" was not so much cheap food as wide markets; but the markets are to-day seeking a portion of their supplies elsewhere. Even Japan and China, where Lancashire once had a monopoly of cottons, are becoming self-sufficing in respect of this commodity. Writing some twenty years ago the late Mr. Carnegie said in the *Empire of Business*: "Japan and China are building factories of the latest and most approved character, always with British machinery and generally under British direction. The jute and cotton mills of India are numerous and increasing. It is stated that one British manufacturing concern sends abroad the complete machinery for a new mill every week."

3. A third argument, or rather assertion of Free Trade advocates, was that if we adopted a policy of Free Trade, we should simply be taking a step that other nations would hasten to follow. "There will not be a tariff in Europe that will not be changed in less than five years to follow your example," said Cobden. As things have turned out, we are practically the single great Free Trade nation, having relations with a ring of Protectionist countries, and our exporters and manufacturers are obliged to consult not their own trade regulations alone, but the tariffs of all the countries with which they trade.

We must, in conclusion, however, state that in the past we have never pushed the policy of free imports to its logical conclusion. We have not thrown open our ports to all goods without restriction. We have always maintained Customs for revenue purposes; and at present Customs contribute over one-fifth of the revenue of the country. But our Free Trade system aimed at putting all producers on exactly the same footing; and when foreign goods were taxed, an equivalent excise duty was laid on the same or similar home products. In practice, some

small protection might be given to the producers of "substitutes"; thus mineral water manufacturers may have a wider market through the imposition of customs on foreign alcoholic drinks. But since the adoption of the Free Trade policy, no duty has been imposed with a view to handicapping the foreign producer in his conflict with the home producer. In typical British manner we arrogantly discard all helps; but, as the Patents Acts among others show, we are not slavish adherents to the principle of unlimited competition. Nor is it likely that any Protective system would ever be advocated to embrace the great bulk of articles that we can produce at home. Moderation may be trusted to operate in this direction, too.

FREIGHT.—Freight, in the common acceptation of the term, means the price for the actual transportation of goods by sea from one place to another; but in its more extended sense it is applied to all rewards or compensation paid for the use of a ship, including the transportation of passengers. There is no loss of freight within a marine insurance policy, if, having been earned, the charterers are entitled to, and do, withhold it as a mulct or forfeit. But there is a loss of freight within a marine policy when the right to the mulct or forfeiture arises from the happening of one of the perils insured against. The contract for the conveyance of merchandise is in its nature an entire contract, and unless it is completely performed by the delivery of the goods at the place of destination, the merchant in general derives no benefit from the time and labour expended in a partial conveyance, and consequently is subject to no payment whatever, although the ship may have been hired by the month or week. The cases in which a partial payment may be claimed are exceptions to the general rule founded upon principles of equity and justice, as applicable to particular circumstances. On the other hand, an interruption of the regular course of the voyage happening without the fault of the owner, does not deprive him of his freight, if the ship afterwards proceeds with the cargo to the place of destination, as in the case of capture and recapture; but although the delivery of the goods at the place of destination is in general necessary to entitle the owner to the freight, yet with respect to living animals, whether men or cattle, which may frequently die during the voyage, without any fault or neglect of the persons belonging to the ship, it is said that if there is no express agreement whether the freight is to be paid for the loading, or for the transporting them, freight shall be paid as well for the dead as for the living.

The right of the shipowner by English law to retain advance freight, notwithstanding the loss of the goods before the freight is earned, seems never to have been seriously doubted. There are two peculiarities of the English law as regards freight: first, that if part of the freight is advanced and the ship is lost, or the goods are lost, the part so advanced, although really not due under the terms of the contract, unless there has been delivery of the goods, nevertheless cannot be recovered back by the charterer from the shipowner; and, secondly, that if there is no stipulation to the contrary, but only a stipulation that there shall be advance freight, it is payable at the moment of starting, and even if not paid can be recovered by the shipowner from the charterer upon the loss of the ship. The stipulation in a charter party, that freight shall be

paid "subject to insurance," means merely that freight is to be paid subject to deduction for premiums on insurances, but not that insurance by the owner is a condition precedent to his recovery of freight. From the moment advance freight becomes payable, it cannot be insured by the shipowner. It is due at that moment, and the liability of the person from whom it is due does not depend upon whether or not the ship arrives at her destination or upon any vicissitude of the voyage, but the person who is liable to pay the advance freight can insure it. A difficulty has sometimes arisen in distinguishing in charter parties between advances of cash to meet ship's expenses and prepayment of freight. Where it is stipulated that the charterer shall provide cash for the ship's disbursements at the port of loading, the cash so provided is in the nature of a loan to the shipowner, and is repayable by him in any event. If the cargo arrives at its destination, these advances may be conveniently set against the freight, but the repayment does not depend upon the freight being earned. On the other hand, if freight is to be paid in advance, it can in no case be recovered. The difference between an advance and a payment of freight in advance affects the manner of insuring. The charterer is the proper person to insure advances of freight, since he is at risk in respect of them. Not so advances of cash irrespective of the freight, for these must be repaid in any event, and are, therefore, not at risk. If, then, the charter party shows that it is the intention of the parties that the merchant making the advances shall insure them, that is strong evidence to show that the advances are to be on account of freight.

When Payable. If the ship is disabled from completing her voyage, the shipowner may still entitle himself to the whole freight by forwarding the goods by some other means to the place of destination; but he has no right to any freight if they are not so forwarded, unless the forwarding them is dispensed with, or unless there is some new bargain upon the subject. If the shipowner will not forward them, the freighter is entitled to them without paying anything. The general property in the goods is in the freighter; the shipowner has no right to withhold the possession from him, unless he has either earned his freight, or is going to earn it. If no freight is earned, and he declines proceeding to earn any, the freighter has a right to possession. To entitle a shipowner, in the absence of a special contract, to demand *pro rata* freight, where the goods have been sold at an intermediate port (being so much damaged as not to be worth forwarding) it must be shown that the owner of the goods had an option of having them sent or of accepting them at such intermediate port. Actual delivery of the cargo is not necessary to entitle the shipowner to freight; if he is ready to deliver at the proper place, the freight is then due. When the freight is payable on delivery, the consignee should be ready to pay it at once, concurrently with the delivery of the goods. He cannot require the whole of the goods contained in the bill of lading to be discharged before making any payment. By the abandonment of a ship by its crew during a voyage, without any intention to retake possession, a right is given to the owner of cargo on board to treat the contract of affreightment as at an end.

Manner of Calculating Freight. The bill of lading or the charter party generally states the rate at which the freight is to be paid, but if it does not, and the contract shows that freight is to be paid,

it must be calculated at the ordinary rates ruling at the time the shipment was made. Goods shipped from abroad, and consigned to a merchant in this country, are to be paid for (upon a demand for freight) according to their net weight, and not according to the weights expressed in the bill of lading, unless there is a special contract so to pay for them. In the absence of an agreement, or of a uniform custom of trade to the contrary, the rule is that, if the weights or measurements at the loading port and the port of delivery differ, the lowest weight or measurement is to be taken in calculating the freight. So that if the cargo has swelled on the voyage, the freight is payable on the quantity as shipped; while if it has wasted, as by drainage or evaporation, the quantity to be taken is that on delivery. The rule as to measurement may be controlled by an established uniform usage in the particular trade. If the freight is expressly to be paid upon the quantity as stated in the bill of lading, it is not open to either party, in the absence of fraud, to vary the amount by showing that the statement was not correct. Sometimes an option is given to the consignee to pay freight on the bill of lading quantity or on the weight delivered. If the consignee, to get his goods delivered to him, pays more than the net weight amounts to, he may recover back the surplus.

Mode of Payment. The freight is payable in cash, and should be paid in the currency of the place of payment, without deduction, unless the contract provides otherwise. Agreements for the payment of freight, like other mercantile contracts, may be explained by usage. Where there is a charter party covenanting for payment of freight on a right and true delivery of the goods at a foreign port, the freighter is not discharged by the master there taking from the freighter's agent, who was furnished with funds to pay him the freight, a bill of exchange upon a third person, by whom it is accepted, if the bill is not duly honoured, although the agent fails with the amount of the freight in his hands, unless the master had the offer of a cash payment, and preferred the bill for his own convenience. A consignee of goods, or an indorsee of a bill of lading, has no right to have the value of missing goods deducted from the freight payable in respect of the goods delivered; but the consignee may counter-claim for the damages. It is, however, sometimes expressly agreed that claims shall be deducted.

Payable to Whom. The freight is payable, primarily, to the person with whom the contract was made, that is, generally, to the person who owned the ship at the time of contracting; but the ship may have been since sold, or assigned, or mortgaged, or its freight may have been sold or assigned; if in doubt, the consignee of the goods can interplead, and so avoid the difficulty of deciding between the claimants. Usually the master represents the owner, and payment of freight to him when due is effectual as against a claim by the owner, unless made after notice from the owner not to pay to him. The master of a ship has no claim on the accruing freight, either for his wages or for moneys disbursed by him for the use of the ship. He has no charge upon the freight for those claims such as to entitle him to possession of it, though he has a maritime lien for them which is enforceable against the ship and freight by legal process. Where a ship has been sold after the contract of carriage has been

made, the right to the freight passes to the purchaser. Where the ship is mortgaged only, the mortgagee does not thereby acquire the right to accruing freight, unless he also takes possession of the ship. A mortgagee of a ship is not entitled to unpaid freight of previous voyages which became due prior to the date of his taking possession of the ship. The freight may be assigned separately from the ship, before it has been earned, or even contracted for, and the freighter cannot safely pay it to the shipowner after receiving notice of the assignment.

Payable by Whom. The person primarily liable for freight is the freighter or shipper. The actual shipper is liable, although he is, in fact, acting only as agent for another, unless he made it clear that he shipped for his principal. If the shipowner or master has notice that delivery is being taken on behalf of someone else than the actual receiver, the mere receipt of the goods is not sufficient to imply that the receiver promises to pay the freight personally. The shipowner may, however, lose his right of recourse to the shipper by giving credit to the consignee. Where the master, for example, instead of requiring payment of the freight in cash, takes a bill of exchange from the consignee, for his own convenience, when he might have got cash, the shipper will be discharged from further liability. A person who presents a bill of lading, and takes delivery of the goods under it, may become liable to pay the freight; but the question is one of fact in each case. A promise will generally be inferred, where nothing has been done to qualify the effect of the receipt, but it is not implied as a matter of law. The Bills of Lading Act, 1855, imposes upon the consignee or indorsee of the bill of lading the liability to pay freight, if the property in the goods has passed to him; but where the bill of lading represents that the freight, or some part of it, has been paid, the shipowner cannot, as against an assignee of the goods, who has given value for them on the faith of that representation, assert afterwards that it has not been paid. He cannot sue the assignee for that freight or set up a lien for it as against him. The charterer is liable for the charter party freight, unless the contrary is clearly expressed. If the charterer assigns the benefit of the charter, the liability of the original charterer depends upon whether or not the shipowner has accepted the assignee as the contracting party in his place.

A clause is often inserted in charter parties known as a cesser clause, to the effect that the charterer's liability for the payment of freight, and other subsequent performance of the charter party, shall cease when the cargo has been shipped, and that the shipowner shall look to the shippers or owners of the cargo, enforcing it by means of a lien expressly given to the shipowner. Notwithstanding that a charter party provides that the liabilities of the charterer are to cease on the vessel being loaded, "the master and owner having a lien on the cargo for all freight and demurrage under this charter party," the liability of the charterer to pay the charter party freight will continue after the vessel is loaded, if the charter party enables bills of lading to be presented in such a form as to make the owner's lien not commensurate with the liability which is to cease.

Lien for Freight. The shipowner generally has a right to retain the goods in his possession until the freight upon them has been paid. This right is termed a lien. It does not give the shipowner any property in the goods, so that he cannot sell them,

even though the retention of them may be attended with expense. This right avails against the true owner of the goods, although he may not be the person liable for the freight or other charges. The right to lien for freight is confined to the freight payable on the particular shipment of goods. A shipowner cannot retain the goods for other freights due from their owner upon other transactions, unless an agreement to that effect has been made expressly, or unless such an agreement must be inferred from the course of business between the parties, or from a general usage in the trade. There cannot be a usage entitling a carrier to retain goods as against consignees to whom they belong, for debts due to him from the shipper. A master who has delivered a portion of a cargo on payment of a sum of money on account of freight may detain the balance of the cargo for the balance of the freight. A shipowner may show an intention to give up his lien for freight where he agrees that the delivery of the cargo shall precede the payment of freight. The onus of showing that the shipowner has so contracted away his right of lien is on the merchant. The shipowner has no lien at common law for dead freight, but such a lien may be given by usage or express contract. If the shipowner takes a bill of exchange for the freight, payable at a future date, he will lose his lien; but the lien will revive if the bill is dishonoured before the goods have been delivered. A shipowner is not necessarily entitled to charge the consignee of goods with warehousing charges or other expenses he may have incurred in preserving his lien; but where a shipowner reasonably keeps cargo on board to preserve his lien for freight, etc., he may claim demurrage during the detention, or time-freight where the ship is under a time-charter.

FREIGHT CALCULATIONS.—When goods are exported they are classed by the shipping company into one of five classes—1, 2, 3, 4, and Special—Class 1 being the highest rate of the first four and "Special" being a high or low rate, according to the nature or composition of the goods carried. A "special" rate is quoted for goods of a special or dangerous character, and they are taken only by special arrangement, which must be made before the goods are despatched. Packages weighing over 40 cwt., and all rates quoted are per ton weight or measurement, ship's option, and all weight must be engaged in advance unless otherwise stated. Let us look at some of the rates quoted by the shipping companies, and afterwards we will pass to an easy method of working out freight calculations, other than by rule of three. Here, then, is a list of a few goods as classed—

	Class.
Acids (on deck)	S.
Alum	4
Anchors (under 40 cwt.)	2
Anvils	2
Artists' Colours	1
Asbestos	1
Asphalte	4
Axles	2
Bacon	2
Barrows	2
Basketware	2
Bath Bricks	3
Bedsteads (Iron)	2
Beer	3
Belting	1
Bicycles	1

	Class.
Billiard Tables	1
Blacking	2
Blue	2
Boats	2
Boilers (under 40 cwt.)	2
Bolts and Nuts	2
Books	1
Boots and Shoes	1
Bottles (empty)	4
Brandy	1
Brassware	1
Brushware	2
Buckets	3
Butter	2
Calicoes	1
Caps	1
Carpets	1
Castings	2
Cement	S.
Chalk	4
Cheese	2
Chemical Products (not dangerous)	1
Cigars	1
Cisterns (empty)	4
Clocks	1
Clothing	1
Coals	per agreement
Coke	S.
Confectionery	2
Cottons	1
Currants	2
Cutlery	1
Deals and Flooring Boards	S.
Dress Goods	1
Drugs	1
Dyes	1
Electro Plate	1
Embroidery	1
Engines (under 40 cwt)	2
Epsom Salts	2
Figs	2
Filters	2
Fish (Preserved)	2
Flannel	1
Floor Cloth	2
Flour	2
Furs	1
Feeding Bottles	2
Gas Fittings	2
Ginger	2
Gloves	1
Glue	2
Granite, rough (under 40 cwt.)	2
Grindstones	2
Gunpowder	S.
Guns	1
Haberdashery	1
Hams	2
Hats	1
Hollow-ware (in crates)	4
Horseshoes	2
Hosiery	1
Ink	2
Iron Gates	2
„ Hoops	4
„ Sheets	S.
„ (packed)	2
Jams	2
Jewellery	S.
Lace	1
Lard	2

	Class.		Class.
Lime, common (in casks)	4	Toys	2
Linen	1	Treacle	2
Looking and Toilet Glasses	1	Tricycles	1
Machinery (under 40 cwt)	2	Tubes (wrought iron or steel)	2
Manure	2	" (cast iron)	4
Marble, rough	2	Umbrellas	1
Mats and Matting	2	Varnish	1
Medicine	1	Vegetables	2
Millinery	1	Velvet	1
Mirrors	1	Vices	2
Musical Instruments	1	Vinegar	2
Mustard	2	Watches	S.
Nails, iron and steel	3	Waterproofs (not Oilskins)	1
Nutmegs	2	Wax	2
Nuts	2	Weighing Machines	2
Oatmeal	2	Wheat, in bags, per 20 cwt.	4
Oil (Not mineral)	1	Whiskey	1
Oil (Mineral), flash not below 200° Fah. open test	1	Whiting	4
Paints in Oil	1	Wines	1
Paperhangings	2	Wire, Iron and Steel	S.
Peas	2	" Brass and Copper	1
Pepper	2	" Netting	3
Perambulators	2	Woollens	1
Perfumery	1	Works of Art	1
Pianofortes	1	Writing Cases	1
Pickaxes	2	Zinc	2
Pickles	2	<p>This list does not by any means exhaust the different goods which may from time to time be shipped. The manifest of a large steamer may be made up of goods of which none are enumerated above, viz., Lead Ingots, Dry White Lead, Acetic Acid, Vaseline, empty Barrels, Corn, Insulating Material, Lubricating Grease, Sandpaper, Skewers, Wood Rules, Slates, Rags, Cotton-seed Oil, Canned Tongues, Apples, Scrap Rubber, Cotton Waste, Iron Girders, Glucose, Skates, Hay, Wagon parts, Fire Extinguisher, Padlocks, Cotton Sweepings, etc., etc. For any goods, then, for which a rate of freight is desired, a shipping company is always pleased to quote. The rate of freight known, we will proceed to check or work out a freight account. Let us take the rate of 40s. per 40 cub. ft. or per ton weight. This reduced gives us 1s. per cub. ft. or 2s. per cwt., and we will make these two our units for measurement and weight respectively. A short list is then necessary with the different rates for different ports shown in agreement with the above method, as follows—</p>	
Pitch	3		
Plants (on deck)	1	Per 40 cub. ft. or	per cub. foot.
Ploughs	2	ton weight.	per cwt.
Potatoes	2	60/-	1/6 or 3/-
Prints	1	55/-	1/4 " 2/9
Pulleys	2	52/6	1/3 " 2/7
Pumps	2	50/-	1/3 " 2/6
Putty	2	47/6	1/2 " 2/4
Quilts	1	45/-	1/1 " 2/3
Quinine	S.	42/6	1/0 " 2/4
Rasins	2	40/-	1/- " 2/-
Rasins	2	37/6	-11 1/2 " 1/10
Reaping Machines (under 40 cwt)	2	35/-	-10 " 1/9
Resin	3	32/6	-9 1/2 " 1/7
Ribbons	1	30/-	-9 " 1/6
Rice, in bags, per 20 cwt.	2	27/6	-8 1/2 " 1/4
Rope	2	25/-	-7 1/2 " 1/3
Rugs, Carpet	1	22/6	-6 1/2 " 1/1
" Seal	1	20/-	-6 " 1/-
Saddlery	1	17/6	-5 1/2 " -10 1/2
Sago	2	15/-	-4 1/2 " -9
Salad Oil	1	12/6	-3 1/2 " -7 1/2
Sardines	2	10/-	-3 " -6
Scales	2	7/6	-2 1/2 " -4 1/2
Screws	2	5/-	-1 1/2 " -3
Seeds	2		
Shirts	1		
Silks	1		
Soap, common	S.		
" fancy	2		
Spades and Shovels	4		
Sponges	1		
Stationery	1		
Steel, bars and sheets loose or in bundles	4		
" packed	2		
Stoves	2		
String	2		
Sugar	2		
Surgical Instruments	1		
Tar	2		
Tea	1		
Tents	2		
Timber, not exceeding 15 ft. or 6 in. in diameter	2		
Tinware, in crates	4		
Tools	2		

With this list before us, we shall, after a little practice, be able to calculate quickly and correctly any given sum in a freight account. More than this, we shall, after a few days or a few weeks' practice, according to the frequency of arrival of the freight accounts, be able to calculate almost every item by mental arithmetic. We will take, as an example, 398'11 at 52/6. Instead of arriving at the result by rule of three—if it costs 52/6 for 40 cub. ft., how much will it cost for 398'11?—we put down in the first place—

$$\begin{array}{rcl} 398'11 \text{ at } 40/- & = & 398'11 \\ 398'11 \text{ at } 10/- & = \frac{1}{4} \text{ of } 40/- & = 99'9 \\ 398'11 \text{ at } 2/6 & = \frac{1}{4} \text{ of } 10/- & = 24'11 \end{array}$$

$$523'7 = \underline{\underline{£26 \ 3 \ 7}}$$

or

$$\begin{array}{rcl} 398'11 \text{ at } 1/- & = & 398'11 \\ 398'11 \text{ at } -/3 & = \frac{1}{4} \text{ of } 1/- & = 99'9 \\ 398'11 \text{ at } -/2 & = \frac{1}{4} \text{ of } -/3 & = 24'11 \end{array}$$

$$523'7 = \underline{\underline{£26 \ 3 \ 7}}$$

Let us take another example—

$$575'9 \text{ at } 27/6.$$

$$\begin{array}{rcl} 20/- & = \frac{1}{4} \text{ of } 40/- & = 287'10 \\ 5/- & = \frac{1}{4} \text{ of } 20/- & = 72'0 \\ 2/6 & = \frac{1}{4} \text{ of } 5/- & = 36'0 \end{array}$$

$$395'10 = \underline{\underline{£19 \ 15 \ 10}}$$

or 27/6 = - $\frac{1}{8}$ per cub. foot.

$$\begin{array}{rcl} -/6 & = \frac{1}{4} \text{ of } 1/- & = 287'10 \\ -/2 & = \frac{1}{4} \text{ of } -/6 & = 96'0 \\ -/4 & = \frac{1}{4} \text{ of } -/2 & = 12'0 \end{array}$$

$$395'10 = \underline{\underline{£19 \ 15 \ 10}}$$

Now we will try a "weight" calculation—

$$\begin{array}{rcl} \text{Tons} & \text{cwt.} & \text{qrs.} & \text{lbs} \\ 16 & 16 & 2 & 21 \text{ at, say, } 25/- \text{ per ton} \\ = & 336 \text{ cwt. at } & 1/3 & 336'0 \end{array}$$

$$\begin{array}{rcl} 2 \text{ qrs.} & = \frac{1}{4} \text{ of } 1/3 & = 7 \\ 14 \text{ lbs.} & = \frac{1}{4} \text{ of } 1/3 & = 2 \\ 7 \text{ lbs.} & = \frac{1}{4} \text{ of } 14 \text{ lbs.} & = 1 \end{array}$$

$$420'10 = \underline{\underline{£21 \ 0 \ 10}}$$

and also a second one—

$$\begin{array}{rcl} \text{Tons} & \text{cwt.} & \text{qrs.} & \text{lbs} \\ 47 & 19 & 3 & 21 \text{ at } 37/6 \text{ per ton} \\ = & 960 \text{ cwt. at } 1/10 & = & 960'0 \\ & & & 840'0 \end{array}$$

$$1,800'0$$

$$\text{less } 7 \text{ lbs.} = \frac{1}{4} \text{ of } 1/10 = 2$$

$$1,799'10 = \underline{\underline{£89 \ 19 \ 10}}$$

By this simple method may freight calculations be checked and corrected. The whole of the freight accounts received from a shipowner by a merchant shipper, say, thirty different sets of accounts under different shipping marks and for different ports, representing, perhaps, the freight charged on goods of the approximate value of £10,000, can be checked in an hour to an hour and a half.

FREIGHT NOTE.—This is a statement sent out by a shipbroker to his customers, the shippers,

showing what sums are due for freight upon the goods that have been shipped.

FREIGHT RELEASE.—This is an official document given by shipbrokers, or an indorsement by them on a bill of lading, authorising the officer in charge of the ship to give up possession of the goods, the freight upon them having been paid. A freight release is used when goods have been shipped "freight forward."

FRIENDLY SOCIETIES.—The subject of friendly societies is governed by the Friendly Societies Act, 1896, together with the Collecting Societies Act, 1896, which only applies to collecting societies, these Acts being modified by certain statutes, the chief being the Friendly Societies Act, 1908. The subject may be considered under the following heads—

Registration of Societies. All friendly societies are supervised by a central office, with a chief registrar and assistant registrars. This office prepares model forms, publishes statistics, and controls the working of the Acts. The Acts provide that certain societies may be registered with the registrar, the list including some societies which are not friendly societies. The Acts define friendly societies as societies providing by voluntary subscriptions for—

(a) the relief of members, their husbands, wives, and near relatives, and wards being orphans, during sickness or other infirmity, whether bodily or mental, in old age (i.e., after fifty), or in widowhood, or for the relief of the orphan children of members during minority, or (b) insuring money to be paid on the birth of a member's child, or on the death of a member, or for the funeral expenses of the husband, wife, or child (or as regards collecting societies, a parent, grandparent, grandchild, brother or sister) of a member, or in respect to members of the Jewish persuasion for the payment of a sum of money during the period of confined mourning; or (c) the relief of unemployed or shipwrecked members, or (d) the endowment of members, or nominees of members at any age, or (e) the insurance of members' tools of trade against fire to any amount not exceeding £15, or (f) guaranteeing the performance of their duties by officers and servants of the society.

Provided that a friendly society which contracts with any person for an annuity exceeding £50 or a gross sum exceeding £200 shall not be registered.

"Voluntary" contributions above referred to are merely contributions which are not made under legal compulsion, though they are made for a consideration, and are, therefore, in one sense, not voluntary.

It must be observed that, although the Act primarily contemplates registered societies, certain of its provisions (e.g., as to persons in the Territorial Army) apply to unregistered societies, while, as above mentioned, some societies may be registered under it which are not friendly societies at all. The position of an unregistered society is not clearly ascertained, but is extremely unsatisfactory; and it is very desirable that every friendly society should obtain a definite status under these Acts or the Companies (Consolidation) Act, 1908.

To enable registration to take place, a society must send to the registrar an application signed by seven members and the secretary, and copies of the rules, together with a list of the names of the secretary and of any trustee or other officer intended to be authorised to sue and be sued on behalf of the society, which registration becomes *prima facie* evidence of the due appointment of such persons

The secretary need not be a member of the society, and if he is, the signature of seven other members will be necessary. The rules must provide for the various matters mentioned in detail in the schedule to the Act, and registration can be expedited if the model rules prepared by the registrar are adopted. No society is to be registered under a name infringing that of a society already registered. On being satisfied that a society has complied with the provisions of the Act as to registration, the registrar issues an acknowledgment of its registry, which is conclusive evidence of due registration, unless the registration is suspended or cancelled. From a refusal to register, appeal lies to the High Court. Amendments of rules must also be registered. Full information is required for this purpose, and the registrar may, subject to appeal, refuse to register a partial amendment and require a complete amendment if, in his opinion, the condition of the registered rules renders it expedient. Amendments are of no validity until registered and an acknowledgment of registration issued, which is conclusive evidence thereof. Whether an alteration binds a non-assenting member depends on whether the rules, when he joined, contained a power of alteration or not.

If a member has contracted with the society by a document which incorporates the rules, e.g., a policy, such contract cannot, in any case, be affected by an alteration in the rules, unless in the contract it is expressly so provided. Restrictions are imposed on the registration of certain classes of friendly societies, e.g., dividing societies can only be registered if the rules contain provisions for meeting all claims existing at the time of division; and societies assuring annuities can only be registered if their tables of contributions are certified by an approved actuary. Societies with branches may be registered, and in such a case full particulars of the branches are to be furnished to the registrar on registration of the society, and full particulars of every new branch are to be so furnished on its establishment.

If a branch secedes from a society in manner prescribed by the rules or is expelled, the chief secretary of the society is bound to give a certificate of secession or expulsion, and the branch may then be registered as a society.

A society may also be formed on a federal basis, for a registered society or branch may contribute to the funds and take part in the government of any other registered society or branch, without becoming a branch of that other society or branch. Withdrawal from a federation is governed by the rules, except when the contributions are to a medical society, when three months' notice must be given.

Consequences of Registry. Subscriptions to a friendly society or branch are voluntary, though in the case of certain societies not really friendly societies, but registered under the Acts, they are deemed to be a debt recoverable in the county court by the society or branch, the rules of such society being also deemed to be a contract under seal between the society and the member.

Every registered society and branch must have trustees distinct from the secretary and treasurer, and also auditors, and send to the registrar an annual return of its finances. A quinquennial valuation of assets and liabilities is also required.

Certain societies registered under the Acts are exempt from valuation, namely, benevolent societies, working men's clubs, cattle insurance societies,

specialty authorised societies, and societies specially exempted by the registrar with the approval of the Treasury. The last balance sheet, auditors' report, and quinquennial valuation must always be hung in a conspicuous place at the registered office of the society or branch. Registered societies and branches have various privileges, e.g., they are exempt from the Acts forbidding secret meetings, provided that at their meetings no business is transacted other than that directly or immediately relating to the objects of the society or branch as declared in the rules. They are also exempted from certain stamp duties, and provision is made for the easy transfer to new trustees of stock belonging to the society transferable at the Bank of England or Ireland, and standing in the name of a trustee who is bankrupt, lunatic, or deceased. Such societies or branches are given a paramount claim to assets belonging to them on the death or bankruptcy of any officer who has them in his hands. They are allowed to provide by their rules for the admission of minors, and minors may, if over sixteen years of age, by themselves, and if under that age by their parents or guardians, execute all instruments and give all receipts necessary under the rules. A registered society or branch may subscribe to a hospital, infirmary, charitable or provident institution, so as to secure to members the benefits of such institution.

Rights of Members. A copy of the rules must be supplied to any person on demand at a price not exceeding 1s., and every member is entitled to a gratuitous copy of the latest annual return and to inspect the books (other than the loan account of another member) at all reasonable hours. In addition to the limitation by the registration section of the amounts of assurance which a society may effect in any one case, no member can claim more than £300 and bonuses, or £52 annuity from any one or more societies. Surplus contributions of a member may be accumulated, and from time to time paid out to him. No member is to lose any interest by reason of membership of the forces (naval or military), or be fined for non-attendance at a meeting, if his absence is due to military or naval duty as certified by his commanding officer.

Property, Funds, and Investments. The Acts authorise an extensive range of investments with the sanction of the committee or of a majority of members present and entitled to vote in general meeting, including the Post Office Savings Bank and any investment for the time being authorised as a trustee investment. A registered society may advance to a member of at least one year's full standing half the amount of an assurance on his life, on the written security of himself and two sureties for repayment, and may make loans to members on personal security out of a special loan fund, subject to the restrictions prescribed by the Act.

Trust property of a society vests in the trustees for the time being, who are only liable for sums actually received by them. So that on the appointment of a new trustee the property vests automatically in him and the other trustees. This, however, does not apply to stocks and funds of Great Britain and Ireland. The trustees may sue and be sued as such without further description. A receipt of the trustees, countersigned by the secretary in the form prescribed by the Act, is, if endorsed on a mortgage to them, a sufficient re-conveyance. The statutory form must be strictly followed if the receipt is to have this effect.

Payments on Death. A member over sixteen years of age may nominate a person to whom any sum payable on his death by a society or branch shall be paid. Such person must not be an officer or servant of the society (unless one of certain specified near relations), and the nomination is capable of revocation and variation, and is automatically revoked by marriage of the member. The society, on receiving proof of death, are to pay the amount to the nominee, and if the payment is made in ignorance of a subsequent marriage of the nominator, it discharges the society. If, however, the total net amount payable under a nomination exceeds £80, the society must require a receipt for death duties, or a letter from Somerset House that none are payable.

In the second place, if there is no nomination, the society may, of course, pay all sums to the executor or administrator, but they may also, if the sum payable does not exceed £100 and the member dies intestate and without a nomination, distribute the money to the person who appears to a majority of them to be entitled thereunder. Such distribution, if made in good faith, protects the trustee from all demands by any other person.

If, however, the amount exceeds £80, the society must have evidence as to payment of death duties.

No payment must be made without production of a death certificate, except in the case of death at sea and similar cases.

Payments on Death of Children. A society or branch, whether registered or not, may not insure or pay on the death of a child any sum which, added to any amount payable at the death of that child by any other society or branch, exceeds (if the child is under five) £6 or (if under ten) £10. Payment of the sum assured is only to be made on the death of a child under ten years of age, to the parent or his personal representative, and on production of a death certificate from the registrar of deaths containing the prescribed particulars. By the provisions of the Children Act, 1908, a person undertaking the care of a child for reward shall have no insurable interest in its life, and if he insures it shall be guilty of an offence.

Particulars of the insurance must be given to the registrar of deaths, and he must note them at the foot of the certificate, and may not give certificates for payment in the whole of a sum exceeding £6 or £10 in the cases above-mentioned, and must have satisfactory evidence of the cause of death.

The society or branch also, if a certificate is produced to it which does not purport to be the first, is to enquire whether any and what sums of money have been paid on the same death by any other society or branch.

All these restrictions, however, do not apply if the person insuring the child's life has an insurable interest in it, that is, a pecuniary interest as required by the Life Assurance Act, 1774.

Disputes. All disputes between members and branches, including claims for re-instatement, are to be decided by the rules of the society or branch, and the decision is final, and may be enforced by the county court. The parties to a dispute may refer it to the registrar, who may administer oaths and generally try the case. If the rules make no provision for disputes, and no decision is made within forty days after application to a society or branch, the county court or a court of summary

jurisdiction may hear or determine the dispute. The registrar or other umpire to whom a dispute is so referred cannot be compelled to state a special case on any point of law; but may do so in his discretion.

These rules only apply when the matter is in dispute between the society and a member *quod* member, so that other cases of disputes are litigated in the ordinary way.

Change of Name, Amalgamation, and Conversion.

Change of name may be effected with the approval in writing of the registrar by a special resolution, that is, one passed by a three-quarter majority of such members entitled to vote as may be present in person or by proxy at a general meeting of which notice of intention to propose the resolution has been given according to the rules, and confirmed by a majority of such members at a subsequent meeting, of which notice has been given not less than fourteen days nor more than one month from the date of the first meeting. Amalgamation and transfer of engagements is, however, more difficult; for amalgamation requires a special resolution of both the amalgamating societies; and a transfer of engagements, a special resolution of the transferring society, and also (a) the assent of five-sixths in value of the members of each society given either at one of the meetings at which the special resolution was passed, and confirmed, or if the members were not present thereat, in writing, and (b) the written consent of every person receiving or entitled to any relief, annuity, or other benefit from the funds of the society, unless the claim of that person is first duly satisfied, or adequate provision made for satisfying it.

The registrar may, however, after hearing the trustees or committee, dispense with the above consents and conditions, and they do not apply to a juvenile society or branch.

Any member dissatisfied with the provisions in an amalgamation or transfer for satisfying his claim may apply to the local county court.

A society may convert itself into a limited company by special resolution; and if such special resolution contains the particulars necessary for the memorandum of association of a company, and a copy has been registered at the central office, a copy of the resolution under the stamp or seal of the central office has the same effect as a memorandum of association duly signed and attested. On such registration the society will be removed from the registry of the friendly societies; but no amalgamation, transfer of engagements, or conversion is to affect the rights of a creditor of a society connecting or transferring its engagements or becoming a party to an amalgamation.

A society may also become a branch of another society in manner provided by the Act. A copy of every special resolution for the above purposes must be registered at the central office, and will not take effect until such registration.

Miscellaneous Matters. The affairs of a society may be inspected by the registrar on the application of the prescribed number of members, supported by evidence of good reason for inspection. Security for costs must be given by the applicants, if required.

Cancellation of the registration of a society may take place at its request or on proof of fraud, mistake or illegality in registration, or wilful violations of the provisions of the Act, or if the society is defunct. The registrar may suspend registration in lieu of

cancellation. Dissolution of a society or branch takes place—

(a) On the happening of any event declared by the rules to be a termination of the society or branch; or (b) as regards societies or branches other than friendly societies or branches, by the consent of three-quarters of the members, testified by their signatures to the instrument of dissolution; or (c) as regards friendly societies or branches by the consent of five-sixths in value of the members testified by their signatures to the instrument of dissolution and the written consent of persons entitled to benefits from the society or branch (unless their claims are satisfied or duly provided for), and in the case of a branch with the consent of the central body or in accordance with the rules; (d) or by the award of the registrar for the reasons mentioned in the Act.

Various penalties are imposed by the Act for contravention of its provisions.

The trustees of a society or branch may represent it in all legal proceedings.

Collecting Societies. In addition to being governed by the general law of friendly societies, collecting societies are governed by certain special provisions contained in the Collecting Societies and Industrial Assurance Companies Act, 1896. A collecting society is such a friendly society as receives contributions or premiums by means of collectors, at a greater distance than 10 miles from its registered office or principal place of business. Such a society must deliver to every person, on his becoming a member of or insuring with it, a copy of its rules, together with a printed policy signed by two of the committee and the secretary, at a price not exceeding 1d. for the rules and 1d. for the policy. No forfeiture is to be incurred by any member or person insured in a collecting society by reason of any default in paying any contribution until after (a) notice stating the amount due by him, and informing him that in case of default of payment by him within a reasonable time, not less than fourteen days, and at a place to be specified in the notice, his interest or benefit will be forfeited, has been served upon him by or on behalf of the society or company; and (b) default has been made by him in paying his contribution in accordance with that notice.

A member or a person insured with a collecting society shall not (except in the case of an amalgamation, transfer of engagements, or conversion into a company under the Friendly Societies Act, 1896) become or be made a member or be insured with any other such society without his written consent, or in the case of an infant without the consent of his father or other guardian, and the society to which any person is sought to be transferred must, within seven days from his application for admission, give notice thereof in writing to the society from which he is sought to be transferred. The word "transfer" is used in a popular sense, and it must be borne in mind that the attempt to transfer without the proper consent and failure to give the required notices are offences under the Act. At least one general meeting of the society must be held in every year, and unless its day, hour, and place are fixed by the rules, notice must be given to the member in the prescribed manner; and for some days preceding the meeting every balance sheet of the society must be kept open for inspection at every office of the society and supplied to every member on demand. The annual returns of a

collecting society must be audited by a practising accountant. The provisions as to settlement of disputes (*supra*) do not apply in their entirety to a collecting society, for any member or person insured having a dispute with such a society may, notwithstanding the rules, apply to the county court or to the court of summary jurisdiction for the place where he resides, and such court may settle the dispute.

The Act forbids a collector of a collecting society to (a) be a member of the committee; or (b) hold any other office in the society other than that of superintending collectors within a specified area; or (c) vote at or take part in the proceedings of any meetings of the society or company.

The registrar may grant a collecting society exemptions from the foregoing provisions, and thus remove from their operation societies not intended by Parliament to come within the scope of the Act.

FUCHSINE.—A red dye-stuff, which, like the other aniline colours, has no need of a mordant when applied to silk and woollen materials. With cotton it requires a mordant. It finds favour in France on account of the brilliancy of its colour, and is used for artificial flowers and certain light tissues.

FUCUS.—Various species of brown seaweeds formed on rocky coasts in northern latitudes between the marks of high and low tides. Fucus is used in the preparation of iodine, and may serve as a cattle food; but it is chiefly valuable as a manure.

FUEL OIL.—Owing to the ever-increasing use of the internal combustion engine, especially of the Diesel and semi-Diesel types, the use of oil fuel is growing with rapidity, and it now forms one of the leading imports into this country.

Fuel oil may be of many natures, but the chief source of supply is the refuse oil from petroleum after distillation of petrol and extraction of petroleum (the paraffin which is used for lighting purposes). In this form it is used to provide the gas necessary for explosion and consequently propulsion of the piston in the cylinder chamber of the Diesel and semi-Diesel types of internal combustion engines, whether on board ship or stationary engines in general. It is also sprayed by compressed air or steam into the fire-box of marine and land boilers, and this mixture, being ignitient, is a clean, hardy, and efficient substitute for coal.

FULLER'S EARTH.—A hydrous bisilicate of alumina, containing small quantities of oxide of iron, lime, magnesia, soda, and other impurities. It varies in colour from yellow to slate blue. It is a soft, greasy, granular clay, unlike ordinary clay, inasmuch as it falls to powder in water. Fuller's earth is obtained near Bath, and in the neighbourhood of Reigate, in Surrey. It owes its name to the fact that it has always been much used for fulling wool.

FULMINATES.—Explosive compounds obtained by the action of alcohol and nitric acid on the nitrate of a metal, generally mercury or silver. Mercury fulminate, which is the best known of the fulminates, is obtained in greyish, soluble crystals, which are not dangerous while moist, but explode violently, on percussion, when dry. It is largely used in the manufacture of percussion caps. Fulminate of silver explodes more easily than fulminate of mercury. It is obtained in the shape of small, white needles, which are poisonous. It is mainly used for the production of crackers.

FUN.—(See FOREIGN WEIGHTS AND MEASURES—CHINA.)

FUNDED DEBT.—This is that part of the debt of the country which is regarded as permanent, such as Consols, as distinguished from the unfunded debt (*q v*). Upon this debt the Government pays interest regularly without being under any obligation at all to repay the principal. When an unfunded debt which is subject to repayment is changed into a permanent debt, the operation is known as "funding the unfunded debt." The unfunded debt of this country used to be made up of Treasury bills (*q v*) and Exchequer bonds (*q v*), but now includes all kinds of loans and other advances made for war purposes.

FUNDING THE UNFUNDED DEBT.—(See FUNDED DEBT.)

FUNDS.—This word has various significations: (1) Stock or capital; (2) money, the income of which is set aside for some special permanent object; (3) debts due by a Government, and upon which interest is paid; and (4) Government stock and public securities.

FUNT.—(See FOREIGN WEIGHTS AND MEASURES—RUSSIA.)

FUR.—Properly speaking, the fine, dense, soft hair of certain animals, principally mammals, but the name is frequently used of all skins covered with hair. Fur is much prized as an article of clothing, being a splendid non-conductor of heat; and, when separated from the skin, it is used in the manufacture of felt hats. Among the most valuable furs are ermine obtained from the stoat of Siberia, Russian sable marten, silver fox of Labrador, and chinchilla from South America. These and other varieties are noticed under separate headings.

FURLONG.—This is an English measure of length, the eighth part of a mile, or 220 yards.

FUSEL OIL.—An oil obtained during the distillation of various spirits. It is a mixture of amylac, propylac, and butylac alcohols, together with capric and other acids. It has an objectionable smell and a burning taste, and is deleterious in its effects.

It is found in most alcoholic liquors, and is used to adulterate whisky. It is mainly employed for the preparation of amyl acetate, which is useful as a solvent.

FUSIBLE METAL.—Various alloys of bismuth, which melt at a temperature below that of boiling water. These alloys consist principally of bismuth, lead, and tin, or zinc; but that which melts at the lowest temperature contains cadmium in addition. Fusible metal was formerly used in making safety plugs for steam boilers, but it proved unreliable for that purpose. Its main application at present is in electro-typing and in taking casts of medals, the fact that it expands on cooling rendering it particularly suitable for these processes.

FUSTIAN.—A coarse, twilled fabric made of cotton, velveteen, moleskin, or corduroy. It is chiefly used for men's clothes. The manufacture has its chief centre at Manchester.

FUSTIC.—Two distinct vegetable dyes are known by this name. The zante or young fustic is obtained from the smoke plant of South Europe, and yields a yellow dye, which is somewhat fugitive. The twigs and leaves of this tree are used in tanning. The other dye is obtained from the wood of the *Maclura tinctoria*, which grows in India and in tropical America. It is also yellow in colour, but is much more permanent than the Zante fustic. It is used in dyeing woollen materials.

FUTURES.—Dealing in futures means making purchases or sales of a commodity or stocks or shares for delivery at some future period. The practice is much commoner in the case of merchandise than in stocks and shares, large quantities of produce being sold for delivery many months ahead. This practice, legitimate enough in its origin, for one can readily see how it may be desirable to sell plantation and other products prior to shipment, lends itself to speculative transactions, as the individual who has sold for delivery, say, three months hence, may, in the event of a falling market, find it profitable to close his bargain by re-purchasing on the spot at a lower price.

GAL]

G.—This letter occurs in the following abbreviations—

G.	Gold, guarantee
G/a.	General average (marine insurance)
Gall.	Gallon
Galls.	Gallons
Gaz.	Gazette
G B.	Great Britain.
G b o.	Goods in bad order
Gent.	Gentlemen, sirs
G gr.	Great gross (144 doz)
gl.	Gill
G m. b.	Good merchantable brand
G m. q.	Good merchantable quality
G o. b.	Good ordinary brand
Gov.	Government
G P O.	General Post Office
Gr.	Gross
Gr. wt.	Gross weight
Grs.	Grains
Gs.	Guineas

GALALITH.—This is a substance which is made from dried milk and which, in recent years, has become more and more an article of commerce, principally as a substitute for ivory. It can be made of any colour or shape and is a competitor of celluloid for many purposes.

GALAM BUTTER.—A lard-like vegetable substance, used as an external remedy for rheumatic pains and in the preparation of a lip salve. It is obtained from the East Indian *Bassia*, the root of which yields the so-called butter, while an illuminant oil is procured from its seeds.

GALANGAL or GALINGALE.—An East Indian plant of the ginger family, from the root of which preserved ginger is prepared. Large quantities of this product are exported from China to India. The name is also applied to the aromatic root of the *Alpinia officinarum*, and to the tuber of *Cyperus longus*, which was formerly noted for its medicinal properties.

GALBANUM.—A yellowish-brown resinous substance obtained from certain umbelliferous plants of Persia, of which the *Ferula galbaniflua* is the chief. It is one of the most ancient ingredients of Jewish incense, and is also useful medicinally, its application being very similar to that of asafoetida, which it also resembles in its objectionable odour.

GALENA or LEAD GLANCE.—Practically all the lead of commerce is obtained from this mineral, which consists of 86.6 parts of lead and 13.4 parts of sulphur. It occurs crystallised in granite and limestone, etc., and frequently contains, in addition to its characteristic constituents, small quantities of zinc, copper, iron, antimony, silver, and even gold. It is widely distributed throughout Europe and the United States. A town in Illinois and another in British Columbia bear the name of Galena, owing to the value of their lead output.

GALLIC ACID.—A crystalline substance obtained mainly from gall-nuts, though it also occurs in

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sumach, divi-divi, and other plants. It is colourless when pure, but the presence of ferric salts produces a dark blue colour, which becomes black on exposure to the air. Gallic acid is used medicinally as an astringent, especially in cases of Bright's disease, but it is chiefly of value in the preparation of ink. It yields numerous gallates.

GALLON.—This is a measure of capacity containing exactly 4 quarts. It is used for both dry and liquid articles.

The imperial gallon contains 10 lbs. avoirdupois weight of distilled water, weighed in air at a temperature of 60° Fahrenheit (or about 15½° Centigrade), the barometer standing at 30 in. Its capacity is 277.274 cubic ins.

The American gallon is equal to 231 cubic ins.

Compared with the decimal system, the gallon is equal to 4.5435 litres, and the litre is equal to .22 gallon.

GALLS.—The abnormal excrescences formed on certain trees by gall insects, which introduce their eggs into the plant tissue and leave them to develop. There are various sorts of galls, but the best known are those obtained from oaks. These so-called oak-apples or gall-nuts are valuable on account of the gallic and tannic acids they contain, which are much used in tanning, in dyeing, and the making of ink. Galls are imported from Greece, Italy, and Algiers; but the best come from Aleppo, in Asia Minor.

GALVANISED IRON.—This iron undergoes no galvanic treatment. It is named after the Italian Galvani, who first discovered the process of coating iron with zinc to prevent it from rusting. After being very carefully cleaned with acid and sand, the iron is dipped into molten zinc, a thin layer of which adheres to the iron. Since 1840, galvanised iron has been generally used in a variety of ways, first only for cooking vessels, but later for telegraph wires, buckets, roofing, water-pipes (but not steam-pipes), bolts for ships, etc. It is largely used in shipping construction, but care must be taken to avoid acids on a vessel of this metal. Corrugated iron is obtained by passing the galvanised metal between rollers with ridged surfaces, thus producing a wrinkled effect.

GAMBIA.—Gambia is a long, narrow country lying east and west along both banks of the river Gambia, on the west coast of Africa.

Bathurst, the capital, lies in latitude 13½° N. and longitude 16½° W. The total area is about 4,150 square miles, and the population 145,000. French territory surrounds the country on all sides.

The island of St Mary, on which Bathurst stands, with an area of 4 square miles and a population of about 9,000, is administered as a colony, while the remaining portion is under the protectorate system.

Climatically, Gambia is tropical, with high temperatures and a considerable rainfall, although lying near the latitude of the Sahara; it has a fairly dry winter season, and despite the low-lying and swampy character of the surface, it is not so unhealthy as the countries to the south of it.

Agriculture is the leading occupation, and the principal products are ground nuts and rubber. Prior to the outbreak of the war in 1914, the trade between Great Britain and Gambia was not on a very extensive scale, as compared with its total trade. A great alteration has now taken place, and three-fourths of the trade carried on is between the Crown Colony and the mother country.

Since no part is far from the Gambia, the river forms the chief means of communication. There is a sufficient depth of water throughout its length, there being 25 ft. at the upper boundary of the country.

Bathurst (8,000), the capital, is the only town. Mails are despatched to Bathurst twice a month. The time of transit is fifteen days.

The position of Bathurst, not far from Cape Verde, is shown on the map of AFRICA, page 48.

GAMBIER.—A thick, glue-like, porous substance, of a brownish colour, obtained from the leaves of the East Indian shrubs, *Uncaria gambir* and *Uncaria acida*. Singapore has practically the monopoly of the export trade. The chief use of gambier is for tanning and dyeing, but its astringent properties give it some medicinal value. The name is of Malay origin.

GAMBOGE.—A yellow gum resin obtained from the bark of various East Indian trees, the best being that of the *Garcinia cambogia*. It is used in staining wood, in coating brass work, and in water-colour painting, but is chiefly of value medicinally on account of its purgative properties, being usually sold in conjunction with various drugs in the form of a pill. Siam is the source of the best gamboge.

GAME LAWS.—The object of all Game Laws, ancient and modern, is to give exclusive rights to defined persons of killing and taking certain wild animals which are classed as game. Wild animals, even when they were useful for food, have been from earliest times classed by the law amongst the things which could not be stolen; they were held not to fall within the law of larceny. Owners and occupiers of land have been protected from the natural desire of many people to kill and take edible wild animals to be found on their lands not by bringing these animals within the law of larceny, but by enacting Game Laws. In general, the occupier of land has the right to kill all wild animals on it; but both before and since the Conquest, under the Forest Laws, some remnants of which still exist, especially in lands belonging to the Crown, our kings or persons to whom they granted the franchise or privilege had the sole right of sporting, and might exclude the owner as well as his tenants from killing animals on his own land. What remains of these forest laws and the game they protected, which comprised a quite different list from that of the animals now known as game in the Game Laws, need not be described here.

Another restriction on the right of the occupier of land to kill wild animals, game, or otherwise, is to be found in modern leases, whereby the sporting rights are reserved to the owner. Occupiers now, however, under the Ground Game Act, 1880 (43 and 44 Vict. c. 47) cannot divest themselves of the right to kill hares and rabbits, which are called ground game, though hares are game and rabbits are not in the Game Act, 1831 (1 and 2 Will. 4), which defined game as follows: "Hares, pheasants, partridges, grouse, heath or moor game, black game, and bustards." The Game Act, 1831, is the foundation of the present Game Laws, i.e., the statutes

containing provisions designed to aid owners or occupiers of land in preserving sporting animals, all the Game Laws before that date being repealed by it.

These Acts are not confined to game strictly so defined. Some of their provisions apply to other animals; in the Game Act itself, for instance, to rabbits, woodcock, snipe, quail, landrail, and conies. In the Poaching Prevention Acts, 1862 (25 and 26 Vict. c. 114), rabbits, woodcock, and snipe are included, but not bustards; and also in the same Act, as well as the Game Act, eggs of game birds and of swans, ducks, teal, or widgeon. Then excise licences for killing or taking game and some other added animals, including deer, and for dealing in game, are necessary (the Game Licences Act, 1860, 23 and 24 Vict. c. 90). In short, there is scarcely any sporting animal as to which there is not some provision in one or other of the Game Laws intended for its stringent protection.

Game must not be killed on Sundays and Christmas Day under a penalty. There are close seasons for game and other wild animals, varying in dates for different kinds as laid down in the Game Act. Deer, hares, and rabbits are not subject to a close time. No firearms or gun of any kind can lawfully be used by any person for killing game by night; and, besides this, the occupier, under the Ground Game Act, must not use spring traps except in rabbit holes, or employ poison for killing ground game, a penalty of £2 being affixed.

By the Game Act it is an offence, with a penalty of £10, to put poison on any ground where game (in the strict sense) usually resorts, or in any highway, with the intention of destroying or injuring same. The prohibition of putting poisoned seed, grain, or meal on any land has partly the same object.

The right to kill game does not extend beyond the land occupied. Not until game is killed, or, if alive, tamed, or captured, or otherwise reduced into possession, as it is called, does game become property so that it can be stolen, no matter who has killed it or how it is killed; and this is true of the eggs of game birds (*King v. Stride and Millard*, 1908, 1 K.B. 617).

If the owner lets his land, he may reserve the right to kill game or general sporting rights to himself or to anyone else to whom he may grant the shooting rights. A tenant holding land without the shooting rights being reserved, can also grant them to a shooting tenant. A shooting tenant who takes direct from the owner has the same rights as the owner, except that he cannot kill hares without a licence, while the owner can, under an Act of 1848. He is, however, in a better position than the tenant of the land, as far as the Ground Game Act is concerned, as he is not subject to the restrictions of that Act, but has the same rights as the owner himself. In any case, the actual occupier of the land, whether owner or tenant, retains the right under the Act to kill ground game. (As to other agricultural tenants' rights, see title GROUND GAME.) See also title AGRICULTURAL HOLDINGS ACT. Otherwise it is an offence under the Game Act for the occupying owner or tenant who has let the shooting to kill or take the game, and, of course, there would be an action for breach of contract. The shooting rights must be granted by deed.

Trespass on Land. (1) (Civil.) As the law has not conferred a right of property in game on the owners and occupiers of land, but has yet resolved to give them every means of protecting the game, the law

of trespass assumes a special form under the Game Laws. For any trespass in connection with pursuit of game, there is the usual civil action of trespass, in which the right of possession would be tried. An animal, game or otherwise, shot by a man on his own ground, but which falls into a neighbour's land, cannot be followed without trespass. And what is not an offence under the Game Laws may be a civil wrong, even though there is no trespass, *e.g.*, to scare game away purposely to interfere with the shooting in this way would be actionable, yet to entice it away would not.

(2) **Criminal.** (a) *Offences by Day.* Mere trespass on land is not a criminal offence, and cannot be punished by fine or imprisonment, but trespass in pursuit of game is an offence; and a trespasser in pursuit of game may be arrested either if he refuses to leave the land or if he will not give his name and address. By day, it is punishable with a fine not exceeding £2 and costs. If the defence of permission (leave or licence) is set up, the right person must be shown to have given it, the occupier, if he has the right to the game, the landlord or some other person, if the shooting rights have been reserved, and if there is a *bond fide* claim to the land, the justices ought not to decide the case.

Even the occupier, if he has not the right to shoot the game himself, commits an offence if he kills, or pursues, or takes game on the land, or gives permission to others; and he is liable to a penalty of £2 and £1 for every head of game. If five or more persons are together, each is liable to a fine of £5, and if any of them carries firearms and use threats to any person warning them off, each is liable to an additional penalty of £5.

(b) *Offences by Night.* All persons whatever are prohibited from using firearms in killing game and rabbits by night; and, in the case of the occupier under the Ground Game Act, he is liable to a penalty of £2. Night is between the expiration of the first hour after sunset, and the commencement of the last hour before sunrise.

When three or more persons enter land with firearms, or other weapons, this is an offence punishable with penal servitude up to a maximum of four years, or to two years' imprisonment with hard labour.

Unlawfully taking or destroying game or rabbits by night on land or a public road, or unlawfully to enter on open or enclosed land with guns or instruments to take game, are each offences punishable summarily, on a first conviction, with three months' imprisonment with hard labour, or a second conviction with six months' hard labour, and sureties for two years, and if sureties are not found, to an additional twelve months' imprisonment. A third offence is an indictable misdemeanour, with a maximum term of penal servitude of seven years, or of imprisonment with or without hard labour for not more than two years.

By the Poaching Prevention Act, 1862 (25 and 26 Vict. c. 114), the police are enabled to search, in a public place, persons who are in possession of game or implements for taking game, whom they suspect of coming from land where they have been poaching; and on this is founded an offence for unlawfully obtaining game by trespass or using instruments, or otherwise. Eggs of game birds, of woodcock and snipe, come within this Act. This reinforces the private right of arresting offenders actually trespassing in pursuit of game, and of pursuing and arresting them within limits and handing

them over to the police. But only stewards of the Crown forests and manors, and other Crown domains, lords of manors, and, in Wales, owners of lands worth £500 a year, are entitled to appoint gamekeepers to exercise on their behalf all the powers under the Game Act; and these gamekeepers must be appointed under hand and seal, and their appointments registered with the clerk of the peace. Their power of arrest is greater than that of any other member of the public or the police. These can only arrest if an indictable offence is actually being committed by night, or, in the case of the police, in the circumstances provided by the Poaching Prevention Act, whereas gamekeepers can make all the arrests, in any circumstances, authorised by the Game Act, within the area for which they are appointed.

Licences to Kill Game. Besides the ordinary game licence, an annual licence of £3 or £2, or of £1 for a continuous period of fourteen days, must be taken out by all persons, including gamekeepers, before taking, killing, or pursuing or aiding in taking, killing, or pursuing, game (as defined in the Game Act), or any woodcock, snipe, quail, or landrail, or any coney or deer. These licences avail throughout the United Kingdom, except for gamekeepers and servants, whose licences are only for the land for which they are appointed. The holder of a £3 licence may sell game to a licensed dealer, which he would otherwise not be entitled to do, and he must not sell it to any other person. Also the occupier, and the persons he authorises to kill ground game under the Ground Game Act, 1880, need not obtain a licence to kill game, and they may sell the "ground game," as if they had a licence to kill game, to a licensed dealer.

Licences to Deal in Game. Before any person can deal in game, he must obtain two licences: first, a local licence granted by the district council in a county, or by a county borough council; secondly, an Excise licence of £2. The licensed dealer may only buy British game from another licensed dealer or from persons who hold the £3 licence, and he can only sell at a place within the district on which is exhibited a board with the words "Licensed to deal in game." Innkeepers, licensed victuallers, or holders of retail beer licences, and owners, drivers or guards of public conveyances, or biggame carriers, or any person in their employment, cannot be licensed. The game for which there must be a licence to deal comprises hares, pheasants, partridges, heath and moor game, grouse, black game and bustards, and live and dead game alike are included, whether British or imported from foreign countries.

The "close times" fixed by the Game Act must be strictly observed, and within ten days of the commencement of the "close time" the possession or sale of game killed in the United Kingdom is an offence, unless they have been killed before the expiration of the open days. And though foreign dead game may be sold during "close time," foreign live game may not. All these regulations as to licence must be observed, and all those as to buying, sale, and possession are enforced under severe penalties.

GAMING AND WAGERING.—Strictly speaking, "gaming" means playing a game for stakes hazarded or provided by the players, while "wagering" is fairly well described by the well-known term *betting*, but, in common use, the words are used rather indiscriminately and applied to any

state of affairs whereby a person stands to win or lose money by reason of the happening or not of some more or less uncertain event. The distinction between gaming and wagering is not now of much practical importance as between the immediate parties to the transaction, but it may be important as regards the interests of other persons in the money or thing that is at hazard.

Most games are in themselves lawful, but a few, such as lotteries and all games played with dice, except backgammon, are expressly forbidden by statute; but even lawful games become unlawful if played in what is known as a common gaming-house, *i.e.*, a house in which people habitually meet in considerable numbers for the purpose of gaming. To keep or frequent a common gaming-house, or to open, keep, or use a place for the purpose of making bets, and betting in streets or public places, are offences which may be punished by fine or imprisonment, as may also the sending of circulars to infants to invite them to make bets. These matters, however, hardly fall within the scope of this article, which is more concerned with the civil rights and obligations of persons concerned or interested in a gaming or wagering contract.

As no one can obtain any rights under an unlawful contract (see CONTRACT), so no one can enforce a claim arising out of an unlawful game. This was well instanced in a recent case, where a woman vainly endeavoured to recover from the holder of a ticket in a lottery a share of the money won by such holder, on the ground that she had purchased a share in the ticket from the holder. In this country all sales and purchases of or dealings in lottery tickets are illegal, and it was held that the illegality extended to prevent recovery of money that had admittedly been received as a prize by the holder of the particular ticket. But betting is not in itself illegal, and the disability to recover money won on a bet only applies to the immediate parties to the betting transaction. If, however, the arrangement really amounts to a joint bet, one of the joint bettors cannot sue the one to whom the winnings have been actually paid, for, though the transaction between the two is not, strictly speaking, a bet, it is considered as being so intimately connected with a wagering contract as to be inseparable therefrom. As regards matters arising out of the playing of lawful games or the making of lawful wagers, the position is somewhat different. All contracts by way of gaming or wagering are null and void by statute, and no action can be maintained for recovering any sum of money or valuable thing alleged to have been won upon any wager, or which has been deposited in the hands of any person, whether a party to the wager or a stakeholder, to abide the event upon which a wager has been made. It will be noticed that the first part of this prohibition only extends to something alleged to have been won, that is, won by the would-be plaintiff, upon a wager; it does not, therefore, prevent an action by a party to the wager to recover the amount he has himself deposited, so long as he claims repayment before the money has been paid over to the winner. Nor does it prevent an action to recover a prize provided by some third person who is not a player of the lawful game or a competitor in the sport or pastime; nor an action to recover a promised subscription or contribution towards any prize or sum of money to be awarded to the winner or winners of any lawful game, sport, pastime, or exercise.

Either party to a wager or bet can bring an action against the stakeholder to recover his own stake, even after the happening of the event upon which the bet was made, if the stakeholder has not actually paid the loser's stake to the winner, but when that payment has been made the right to recover ceases. If, however, the loser has given notice to the stakeholder not to part with the money, and afterwards the stakeholder does pay it to the winner, he will be personally liable to repay the money to the loser. If the stakeholder is a party to the bet, and becomes the winner, and appropriates the stake to his own use, this is equivalent to payment, so as to prevent the loser recovering the amount.

Any promise, express or implied, to pay any person any sum of money paid by him under or in respect of any contract or agreement by way of gaming or wagering, or to pay any sum of money by way of commission, fee, reward, or otherwise in respect of any such contract, or of any services in relation thereto or in connection therewith, is null and void, and no action can be brought to recover any such sum of money.

Not only are the actual contracts of gaming and wagering void, but if money or other valuable thing is knowingly lent to another for the purpose of playing any game, whether of skill or chance, for money, or of betting upon any such game, it cannot be recovered back again. This is the effect of two old Acts of Parliament, upon the construction of which there have been a number of decisions of the courts of law, with the result that money has been held to be irrecoverable if lent for the purposes of gaming or wagering on the following games and sports: Cards, dice, tennis, bowls, skittles, cock-fighting, horse races, dog races, coursing, foot races, and cricket; and the irrecoverability will extend to money lent for wagering on any other games or pastimes. But money lent for the purpose of betting upon other contingencies than games, or to pay bets already made and lost, may be recovered.

An attempt is often made to evade the law against wagers by setting up a new contract between the parties, the allegation being that the debtor has promised to pay the creditor the money in consideration of something that is not dependent upon a game or contingency, for where the loser of a bet makes a fresh promise to pay, in consideration of something fresh to be done or omitted by the winner, the contract so made is not one of gaming or wagering, and so does not come within the terms of the disabling statutes just referred to. Whether there is such a new contract must be for the court to determine in each case, and in nearly every case the decision will depend, not so much upon whether there was a fresh promise to pay by the loser, as upon the answer to the question, Was there a sufficient consideration moving from the winner to support such a promise? (see CONSIDERATION). During the last ten years there have been several cases on what amounts to a sufficient consideration for this purpose, and the decisions are not altogether easy to reconcile. Broadly, however, it may be said that a mere promise to give further time for payment, or to refrain from bringing an action, or to accept a smaller amount in settlement, or to accept payment by instalments, will not be sufficient; but that a real forbearance by the winner to post the loser as a defaulter may suffice, though it is open to the court or the jury to find otherwise.

If a man employs an agent (see AGENCY) to make a bet for him with a third person, and the bet is

won and the winnings paid to the agent, the principal can recover the amount thereof from the agent. If, on the other hand, the bet is lost and the agent pays the winner, the agent cannot claim to be indemnified by his principal. An agent who fails to act on his instructions to make a bet is not liable to his principal for the amount that would have been won had he done as he was told.

If a bill of exchange (which expression includes a cheque), promissory note, mortgage, or any other form of security, is given to secure payment of money won at gaming or wagering, the security is not entirely bad. As between the immediate parties, the security is of no effect and cannot be enforced if the defence of gaming is set up by the defendant, but if the security is transferred, before the day thereby fixed for payment, to a person who gives a valuable consideration for it, and who has no notice that it was originally created to secure payment of a gambling debt, such transferee, and any subsequent innocent holder of the security, may recover the amount secured thereby. Thus, if A loses money at cards to B, and gives him a promissory note as security, B cannot sue A upon the note, but if B endorses the note for value to C, who has no notice of its tainted origin, and C transfers it in like manner to D, the last-mentioned can sue A, B, or C upon the note, and if he compels C to pay, then C can, in turn, sue either A or B.

The rules as to gaming and wagering contracts apply to all transactions the true nature of which is that they are gambles, even though they do not come within the ordinary designation of bets or wagers. A prominent example of this is found in regard to what are known as Time or Difference Bargains on the Stock Exchange (*q.v.*). These consist in contracts to deliver and to pay for stock or shares on a certain date, the buyer believing that the price will rise before then, and the seller believing that it will drop; but neither really intending actually to deliver or accept stock or shares, but only to strike the difference between the contract price and the actual price on the due date, and to pay and receive the difference only. This is a gaming contract, and neither party can recover on it. It must be noted that only when the parties to the contract are principals can there be a wager between them; a broker, while he properly acts as such and charges a commission for his services, does not enter into a wagering contract with his client. Another class of wagering contracts are policies of insurance in respect of a subject matter in which the insured person has no insurable interest. (See INSURANCE.)

Any scheme for distributing prizes, whether in money or in kind, by lot or chance, is a lottery, and all lotteries and everything connected with them are illegal in this country. It is essential that the distribution depends entirely upon chance, for if skill on the part of a competitor can in any appreciable measure control the result, the scheme will not be a lottery. Familiar forms of lotteries are the big money prize lotteries so prevalent on the Continent, and so much advertised through the Post Office, raffles at bazaars, sweepstakes, and many kinds of coupon competitions. Certain art unions, established for the promotion of the fine arts, are exempted from the operation of the penal Acts against lotteries, and it is not a lottery for people jointly entitled to money or to a particular property or article, to cast lots as to how it shall be divided among them. All persons taking part in a lottery, or printing or publishing any advertisement or

ticket relating thereto, may be proceeded against for penalties.

GAOL DELIVERY, COMMISSION OF.—This is one of the several powers contained in the commission of assize, giving authority to the persons therein named to "deliver the gaol of — of the persons therein being."

GARANCINE.—A powder used as a dye-stuff, and obtained from the madder root by treating it with sulphuric or hydrochloric acid. It was formerly much employed in calico-printing, but its use has declined since the introduction of the aniline colours.

GARBLING COIN.—This is a term which refers to the practice of money dealers in picking out new full weighted coins from those which pass through their hands, for the purpose of exporting them or melting them down, and retaining the lighter ones for circulation and the payment of trade debts at home. The practice has almost died out. Garbling was formerly used to signify the process of sorting or picking out the worst of anything.

GARNET.—The comprehensive name for a variety of minerals which crystallise in the cubical system, usually in the form of dodecahedra. They vary in colour according to their chemical composition, but are usually brownish-red, and then consist of silicate of iron and aluminum. This variety is frequently used in jewellery, and has a resinous lustre. Garnets are found principally in crystalline rocks. The best come from Pegu, in Burmah, but Bohemia, Ceylon, and Brazil also do an export trade in the article.

GARNISHEE.—A person in whose hands property which belongs to another person is attached by an order of a court of justice. This order is in the nature of a warning, forbidding the person upon whom it is served to pay over the debt which he owes to his creditor. (See GARNISHEE ORDERS.)

GARNISHEE ORDERS.—These are notices which are sent to persons who are owing money to judgment debtors (*q.v.*), or who hold goods belonging to them, warning them not to part with such money or goods. The object of these orders is to prevent the debtor's applying such money or property in such a manner as to deprive the judgment creditor (*q.v.*) of the chance of reaping the fruit of his judgment when it is impossible to obtain satisfaction from the judgment debtor direct. Thus, A obtains a judgment against B. The judgment is not satisfied, but it comes to the knowledge of A that C, a third person, is indebted to B in a certain sum. A obtains a garnishee order against C, which prevents C from paying over the amount of his debt to B or to any other person.

A garnishee order is obtained upon an application to the court or to a judge, at first *ex parte* (*q.v.*), by any person who has obtained a judgment or order for the recovery or payment of money, either before or after any oral examination of the debtor liable upon the judgment or order. The application must be supported by an affidavit on the part of the applicant or of his solicitor, stating—

- (a) That judgment has been recovered or the order made;
- (b) That the judgment is still unsatisfied;
- (c) The amount of the judgment;
- (d) The name and address of the third person (called the garnisher) from whom money is due to the debtor;
- (e) That the garnishee is within the jurisdiction,

ie, within that part of the United Kingdom over which the court has power to compel obedience to its orders.

At first, an order *must* be obtained, if sufficient cause is shown, which means that the garnishee order is only temporary and provisional, but afterwards, when the party served has been heard, the order is made absolute, unless good cause is shown to the contrary.

After the order has been served upon the garnishee, he must, unless he is able to prove that there is no debt owing by him to the judgment debtor, pay the money into court, or execution will be levied against him for the amount. Payment made by or execution levied upon the garnishee under any proceedings of this kind is a valid discharge to him as against the debtor, liable under a judgment or order, to the amount paid or levied, even though the proceedings are subsequently set aside, or the judgment or the order reversed.

A garnishee order is not valid against the trustee in bankruptcy of the judgment debtor, unless completed by receipt of the debt before the date of the receiving order and notice of the presentation of a bankruptcy petition by or against the debtor, or the commission of an available act of bankruptcy by him.

The following are not available for attachment—

- (1) Unliquidated damages due to a judgment debtor.
- (2) Money due to a shareholder in the voluntary winding-up of a limited liability company.
- (3) Purchase money payable upon the completion of a sale of real property.
- (4) Wages due to a seaman, servant, labourer, or workman.
- (5) Future income of a tenant for life.
- (6) Salary accruing, but not actually due.
- (7) The pay or pension of an officer.

The following is a form of a garnishee order—

Garnishee Order (attaching Debt)

No ———

*In the High Court of Justice.
King's Bench Division
Sheffield District Registry.*

<i>Between</i>	
<i>A. B.</i>	<i>Judgment Creditor</i>
<i>C. D.</i>	<i>Judgment Debtor.</i>
<i>and</i>	
<i>E. F.</i>	<i>Garnishee.</i>

Upon hearing Mr. G. H., as solicitor for the above-named Judgment Creditor, and upon reading the affidavit of the said A. B. filed the 11th day of March, 19...

It is ordered that all debts owing or accruing due from the above-named Garnishee to the above-named Judgment Debtor be attached to answer a judgment recovered against the said Judgment Debtor by the above-named Judgment Creditor in the High Court of Justice on the 11th day of January, 19... for the sum of £210, debt and costs, on which judgment the said sum of £210 remains due and unpaid.

And it is further ordered that the said Garnishee attend the District Registrar in Chambers, at the County Court offices at Bank Street, Sheffield, on Monday, the 25th day of March, 19..., at 2 o'clock in the afternoon, on an application by the said Judgment Creditor that the said Garnishee pay the

debt due from him to the said Judgment Debtor or so much thereof as may be sufficient to satisfy the judgment.

Dated this 18th day of March, 19...

W. H.

District Registrar.

GARNISHMENT.—The notice issued to a garnishee, warning him not to part with money or goods in his possession pending the settlement of a claim against the owner.

GAS AND ELECTRIC LIGHTING.—By the Towns Improvements Clauses Act, 1847, the Commissioners appointed to carry out the Act were empowered to contract with any person for the supply of gas, oil, or other means of lighting; and may supply lamps, lamp-posts, and other necessary works. The Gas Works Clauses Act, passed in the same year, enacts as follows: The persons authorised to construct the gas works are called the undertakers, to whom power is given to break up streets, open drains, enter on private land, with the consent of the owners, and to contract for the supply of gas to public and private buildings and streets, and to supply lamps, lamp-posts, burners, and pipes, and to repair the same. The undertakers may supply gas meters, and these meters may not be taken away by the landlord as distress for rent. If the consumer of gas fails to pay for the same, his supply may be cut off, and he may be sued in the court for the amount due.

Heavy penalties are imposed on the consumer for fraudulently using gas, or for damaging the pipes. The undertakers must not contaminate any water supply, or allow gas to escape, after the complaint has been brought to their notice. The profits made by the gas company must be limited to 10 per cent., if the profits exceed this amount, the cost of gas to the consumer must be reduced. The annual accounts of the undertakers must be sent to the clerk of the local authority in England, Scotland, and Ireland.

The Act was amended in 1871, in which year it was enacted that gas should only be manufactured or stored in the places indicated by special Act of Parliament. The undertakers must supply gas to any occupier whose premises are within 25 yards of their gas mains, the cost of service pipes beyond 30 ft. from the gas main, to be paid by the occupier or owner. When an occupier wants a gas supply, he must give notice to the undertakers, and enter into an agreement to pay for the supply, and, if necessary, give security to the undertakers. The quality of the gas supplied must be in accordance with the Act, which describes the apparatus to be used, the testing burner, and the testing candles of sperm, six to the lb.

The gas used by the consumer must pass through a tested meter, supplied and approved by the undertakers, or a tested and approved meter supplied by the consumer. Where the meter is not the property of the consumer, he must pay a meter rent for the use of it. The consumer must not connect or disconnect the meter without giving the undertakers twenty-four hours' notice. Whether meters are the property of the consumer or of the undertakers, they must be kept in good order, and access must be had to them at all reasonable times for testing and for taking the readings of gas consumed. If there is a difference between the consumer and the undertakers as to the amount of gas consumed, the matter may be referred to two justices, or to a stipendiary magistrate, and their decision shall be final.

The undertakers may remove their meters and fittings after giving twenty-four hours' notice so to do. The undertakers shall supply gas for the public lamps which are within a distance of 50 yards from their gas mains; the supply shall be measured by meter or otherwise, according to agreement. The undertakers must provide a testing place for testing the illuminating power of the gas, and for testing the presence of sulphuretted hydrogen. Competent and impartial persons may be appointed as gas examiners.

If the undertaker fails to supply gas to a consumer, he is liable to a penalty of 40s. a day. A model balance sheet is published at the end of the Act, for the guidance of the undertakers when submitting their annual accounts.

In 1859 an Act was passed to regulate the measures used in the sale of gas. This Act required models of gas holders to be supplied to all local authorities, and enacted that meters should not be stamped if their error was more than 2 per cent. in favour of the buyer, or 3 per cent. in favour of the seller. The Metropolis Gas Act of 1860 followed, and applied the Gas Works Clauses Act to gas undertakers in the metropolis. It was further enacted that, if an outgoing tenant left his gas bill unpaid, the undertakers should not require the incoming tenant to pay for the arrears unless he had agreed to do so.

Further legislation was authorised, in 1870, by the Gas and Water Works Facilities Act. This Act gave powers to local authorities to manufacture and supply gas in any district in which there was not a gas company already existing. The Act was amended in 1873, and explained the word "undertakers" to mean a local authority, a corporation, commissioners, company, or persons, and gave power to the Board of Trade to consider the applications of such undertakers, and to make Provisional Orders for gas supply. These Acts of 1870-3 do not apply to the metropolis.

The Public Health Act, 1875, gives any town or urban authority powers to contract with any person for the supply of gas for public lighting or to supply gas themselves. The Local Government Act, 1894, gives power to every rural parish to provide their own lamps for public lighting.

As electricity is now used in so many places, the article entitled **ELECTRICITY** must be referred to, and, on the general subject of public and private lighting, must be read in conjunction with this one.

GASAB.—(See **FOREIGN WEIGHTS AND MEASURES**—**EGYPT**.)

GASOLENE.—This is the American expression for the English word "Petrol," and the French word "Essence." The correct generic name for it is benzine (*q v*). Gasolene is a distillate of crude petroleum.

GAUGE.—This word occurs both as a noun and as a verb. When the former, it signifies either a standard of measure or the measuring rod which is used for ascertaining the contents of casks. When the latter, it means the ascertaining of the contents of casks, i.e., the number of gallons contained in them, by means of a gauge or gauging rod.

This is also a term used to denote an "exact measurement." "To gauge '001'" means that all measurements of the article or the part in question must be within one one-thousandth part of an inch—greater or less than the measurements specified, otherwise the article or the part will not be accepted or paid for—an almost invariable

condition of orders given for work on machine tools of any description.

GAUGER.—The officer of Customs or Inland Revenue, whose business it is to ascertain the contents of casks.

GAUZE.—A light, transparent fabric of any fine fibre, though originally made only of silk. It is much used for veils, dress purposes, and by millers for sifting flour. It was at one time produced in the west of Scotland, but France and Switzerland are now the chief sources of supply. Mantles for incandescent lamps are made of a specially manufactured variety of gauze.

GAVELKIND.—Unlike the system under which the real estate of a deceased person who dies intestate descends according to the law of primogeniture (*q v*), or according to the custom of borough English (*q v*), the old Saxon system of gavelkind has remained the law as regards the succession to real property in the county of Kent, and also in a few other parts of England, unless, in fact, the land has been disgavelled, i.e., freed from the system. Under it, instead of real property descending in cases of intestacy exclusively to the eldest son or the next male heir of the deceased, it is divided equally amongst the sons, and the name is particularly appropriate, being derived from three Saxon words, signifying "give to all alike." If there is but one son, the whole of the estate goes to him to the exclusion of any daughters. If only daughters survive, and there are no descendants of a deceased son or sons, the real property goes to them jointly, as in the case of primogeniture.

GAZETTE.—The official periodical published by the authority of the Government. In England it is published every Tuesday and Friday.

The production of a copy of the *Gazette* is generally accepted as evidence of any notice or order contained in it. Great care is taken as to the insertion of notices, and all those which do not come direct from Government offices must be duly authenticated. The signature of a solicitor is in most cases sufficient, but if this cannot be obtained, any advertisement or notice must be accompanied by a declaration.

In addition to the official notices of the Government, all the principal steps taken in bankruptcy and winding-up proceedings must be advertised, as well as notices of changes of partnerships, and those calling upon creditors and others to come in and prove their claims in the administration of estates.

GAZETTED.—A person or thing is said to be "gazetted" when an official announcement touching either the one or the other is contained in the *Gazette* (*q v*).

GELATINE.—A product obtained chiefly from parings of the hides and skins of calves, sheep, and oxen, the best variety for human consumption being prepared from calves' feet. Great care is bestowed on the process of extraction, in order to procure an absolutely pure article for use in confectionery, cooking, and medicine, in which it is much employed as a coating for nauseous pills. Other varieties are used in the preparation of photographic plates and for numerous other purposes. Gelatine is of the same origin as glue, but differs from it in the amount of care devoted to its preparation.

GELATINE DUPLICATOR.—(See **DUPICATING**.)

GELATINE DYNAMITE.—This is a well-known explosive of the nitro-glycerine class. It is chiefly

used for tough rock work, and consists of 80 per cent. of a gelatine formed of nitro-glycerine and nitro-cotton, and a dope of 20 per cent., consisting of wood meal (a special variety of sawdust) and nitrate of potash. It is largely exported in cartridge form in boxes containing 5 lb., ten of which are in a case. Forty of such cases are in a ton, the explosives ton being 2,000 lb. only, as authorised by the Explosives Act.

GELIGNITE.—An excellent high explosive, a modification of gelatine dynamite (*q.v.*). Perhaps more of this substance is used than any other individual explosive, with the single exception of gunpowder. It is exclusively utilised for commercial purposes, and consists of a gelatine formed of about 66 per cent. of nitro-glycerine, 4 per cent. of nitro-cotton, a dope of 12 per cent. of nitrate of potash, and 18 per cent. of wood meal, a special variety of sawdust. It is used for a variety of purposes, and is put on the market in the same way as gelatine dynamite.

GENERAL ACCEPTANCE.—This is the name given to the acceptance of a bill of exchange (*q.v.*), often called also a "clean acceptance," which consists simply of a signature by the acceptor and the name of the place of payment.

GENERAL AVERAGE.—(See *AVERAGE*.)

GENERAL CROSSING.—A cheque is said to be crossed generally when it bears across its face—

(1) The words "and Company" or some abbreviation of the same, between two parallel transverse lines, either with or without the words "not negotiable" (*q.v.*);

(2) Two parallel transverse lines simply, with or without the words "not negotiable." (See *CROSSED CHEQUE*.)

GENERAL DISTRICT RATE.—The general district rate is levied by urban district councils and municipal corporations outside the metropolis to cover expenses incurred under the Public Health Act, 1875, and amending Acts; it must not, therefore, be confused with the general rate of the metropolitan boroughs, which includes poor law expenses and all local rates except the water rate.

Section 207 of the Public Health Act, 1875, enacts that all expenses incurred or payable by an urban authority in the execution of the Act, and not otherwise provided for, shall be charged on and defrayed out of the general district fund and general district rate leviable by them under the Act, with the following exceptions, viz.: (1) Where the expenses incurred by an urban authority under the Sanitary Acts were at the time of the passing of the Act payable out of the borough fund or borough rate, (2) where expenses incurred by an urban authority acting as improvement commissioners (that is, possessing powers of town government and acting under local Acts) were payable out of a rate in the nature of a general district rate; and (3) where rates for certain purposes under the Sanitary Acts were payable out of the borough fund and rate, and for other purposes were payable out of other rate or rates leviable for various sanitary purposes.

The Act provides for the establishment of a "district fund," and for the purpose of defraying any expenses chargeable upon it which that fund is insufficient to meet, urban authorities are empowered to levy from time to time a rate or rates to be called "general district rates." The rate may be raised for the purpose of meeting future expenses or charges, or in order to raise

money for the payment of charges incurred at any time within six months before the making of the rate. No limit is fixed as to the amount which may be raised.

Public notice must be given by the local authority of intention to make any such rate and of the time when it is intended to make the same, and of the place where a statement of the proposed rate is deposited for inspection. Before proceeding to make a general district rate or private improvement rate under this Act, the local authority is directed to cause an estimate to be prepared of the money required for the purposes in respect of which the rate is to be made, showing: (1) The several sums required for each purpose; (2) the rateable value of the property assessable; and (3) the amount of rate it is necessary to make on each pound of such value. This estimate, after approval by the urban authority, must be entered in the rate book and kept at their office open to public inspection.

Appeal may be made to quarter sessions by any ratepayer who deems himself aggrieved by the rate.

The general district rate is levied upon the occupants of all kinds of property for the time being by law assessable to any rate for the relief of the poor, and is assessed on the full net annual value of such property as ascertained by the valuation list for the time being in force in the district. The owner may be rated instead of the occupier in the following cases—

"Where the rateable value of any premises liable to assessment under this Act does not exceed the sum of ten pounds; or

"Where any premises so liable are let to weekly or monthly tenants; or

"Where any premises so liable are let in separate apartments, or where the rents become payable or are collected at any shorter period than quarterly."

Provision is made for the owner to be assessed on a lower estimate, such reduced assessment to be not less than two-thirds, nor more than four-fifths, of the net annual value. Where the reduced estimate is, in respect of tenements, whether occupied or unoccupied, then such assessment may be made on one-half of the amount at which such tenements would be liable to be rated if the same were occupied and the rate were levied on the occupiers. Except in the last-mentioned instance, where owners are rated at one-half of the rateable value of the premises, rates are not chargeable on any person in respect of premises which are unoccupied. In the event of empty premises becoming occupied, the incoming tenant, or the owner, as the case may be, is liable for the proportion of the rate dating from the commencement of the tenancy. Should any person assessed cease to be the owner or occupier of the premises in respect of which he is rated, he is only liable for the payment of such part of the rate as may be in proportion to the time during which he was owner or occupier.

The Act also provides for the assessment at one-fourth of the net annual value of land used as arable, meadow, or pasture ground only, or as woodlands, market gardens, or nursery grounds, and for canals and railway lines. Amending Acts have extended the application of this reduced assessment to orchards and allotments.

Section 222 enacts that the rate shall be published in the same manner as a poor rate (*i.e.*, by affixing notices on or near to the doors of all

the churches and chapels in the district), and shall commence and be payable at such time or times, and shall be made in such manner and form and be collected by such persons, and either together or separately, or with any other rate or tax, as the urban authority may from time to time appoint.

The authority also has power to amend the rate from time to time by inserting therein the name of any person claiming and entitled to have his name inserted, or by inserting the name of any person who ought to have been assessed, or by striking out the name of any person who ought not to have been assessed, or by raising or reducing the sum at which any person has been assessed, if it appears to the authority that he has been under-rated or over-rated, or by making any other alteration which will make the rate conformable to the provisions of the Act. If, after a rate has been demanded of any person, it is amended, either consequent on an alteration in the valuation list, or for any other reason, a fresh demand must be made.

If any person assessed to the rate fails to pay the same within fourteen days after it has been lawfully demanded in writing, or if any person quits or is about to quit any premises without payment of any such rate then due from him in respect of such premises, and refuses to pay the same after lawful demand thereof in writing, any justice may summon the defaulter to appear before any court of summary jurisdiction to show cause why the rate in arrear should not be paid; and if the defaulter fails to appear, or if no sufficient cause for non-payment is shown, the court may make an order for the payment of the same, and in default of compliance with such order, may by warrant cause the same to be levied by distress of the goods and chattels of the defaulter. The costs of the levy of arrears of any rate may be included in the warrant for such levy.

The authority has power to reduce or remit payment of the rate on account of the poverty of any person liable to the payment thereof.

The services, the cost of which may be borne by the general district rate, include sewerage, removal and disposal of house refuse, scavenging and cleansing of streets, provision and maintenance of hospitals, mortuaries, sanitary conveniences, fire brigade, highways, street lighting, dwellings, public pleasure grounds, markets, slaughter-houses, etc., and general sanitary administration. Baths and wash-houses, libraries and other institutions established under adoptive Acts (i.e., Acts the putting into force of which is optional) may either be charged upon this rate or upon rates levied for the specific purposes. Where only part of a district derives benefit from works of a special nature, such as sewerage, water supply, paving, etc., the local authority is empowered to divide their district for the purpose of rating and making separate rates for the different parts. Differential rating may also occur where adoptive Acts are applied to a part of the area only.

Before making comparisons between the general district rates of different localities, it is important to ascertain exactly what services are chargeable upon them, for it does not always follow that these rates are strictly comparable, although they bear the same title. The rate in one district, for example, may include charges for libraries and baths and wash-houses; in another charges for baths and wash-houses, but not for libraries, whilst in other towns such services may not exist,

or, if they do, are maintained by special rates. An apparent difference of several pence in the pound might thus be shown, which, after the rates had been reduced to a common basis, would quite disappear.

The anomalies connected with the general district rate—and the same applies more or less to other rates—are such as to call for a thorough overhauling of the whole system of rating. This will no doubt take place at no distant period.

GENERAL PARTNER.—(See **PARTNERSHIP**.)

GENTIAN.—A genus of plants of which there are numerous species, the *Gentiana lutea* of South Europe being the best known. From the dried root of this plant a bitter tonic is obtained, which has great medicinal value.

GEOGRAPHICAL DISTRIBUTION.—The earth is approximately a sphere, but since the diameter between the poles is less than the diameter at the equator, it is more correctly described as an oblate spheroid. This term, however, is not quite suitable, for there are differences between the shape of the earth and that of an ideal oblate spheroid, and so the term "geoid" has been applied. The most exact measurements give the lengths of the diameters as 41,852,404 ft. at the equator and 41,709,790 ft. between the poles. These numbers may, however, be 250 ft. too great or too small.

The solid portion of the earth, or the crust, is known as the lithosphere. This term is sometimes used to include also the interior, although the exact nature of the interior is a matter of speculation. The water which covers the greater part of the lithosphere forms the hydrosphere, while the envelope or air completely enclosing these is the atmosphere. Both animal and vegetable life are limited in distribution upward in the atmosphere and downward in the hydrosphere, and the space between these limits is called the biosphere.

The greatest height attained by the land is about 29,000 ft. above the level of the sea. The greatest known depth of the sea is about 6 miles, off the Ladrões Islands, in the Pacific Ocean.

Distribution of Land and Water. The total area of the surface of the earth is about 196,940,000 square miles. Of this, about 142,000,000 is occupied by the sea and 55,000,000 by dry land.

The land is massed chiefly in two great sections, which from historical reasons are known as the Old and New Worlds. These two approach each other most closely at the Behring Strait, where Asia and North America almost join; but from here they diverge from each other so rapidly, that just north of the Equator they are separated by half the circumference of the globe, the intervening distance being occupied by the Pacific Ocean. On the whole, the Old and New Worlds lie closest along their Atlantic shores. The land mass of the Old World lies almost wholly to the north of the Equator, only the smaller part of Africa being south of it. This fact, combined with the vast area of the Pacific, makes it possible to divide the world into two hemispheres: a water hemisphere, containing but a small part of the land surface, and a land hemisphere which includes the bulk of the land, and also the S-shaped Atlantic Ocean and the Indian Ocean.

The particular arrangements of land and water, which of themselves have had the greatest influence on the history of man within historic times, are the width of the Pacific, and the great extension southward of both South America and Africa, coupled with the fact, of course, that in both the Old and

New World the land penetrates far within the Arctic Circle.

The width of the Pacific has prevented intercourse between Eastern Asia and the Americas till quite recent years, and it seemed likely that this must continue, but the advances in shipbuilding and in the speed of vessels have removed many of the difficulties encountered in the past, and there is much hope for the future.

Inter-course between Western Europe and India by sea was not established until after the discovery of America, because of the southern extension of Africa, while the southern extension of America to Magellan Strait led to repeated futile efforts to find a north-west passage to China and the East Indies, in order to shorten the journey.

In both America and the Old World a land-locked sea makes a passage nearly through to the opposite ocean, the Mediterranean, being separated from the Red Sea, an arm of the Indian Ocean, by the Isthmus of Suez, and the Caribbean Sea separated from the Pacific by the Isthmus of Panama. In both cases the cutting of an isthmus canal has facilitated communication between east and west.

To a lesser extent the intrusion of the peninsula of Indo China, with its long extension in the Malay Peninsula, into the ocean almost to the Equator, kept the peoples of India and China apart.

The Distribution of Land Forms. Land forms may first be divided broadly into upland and lowland. No fine line of distribution can be drawn, but there exist great, well-defined areas of highland more than a mile above the sea, and even greater areas of lowland at less than a thousand feet.

HIGHLANDS In North America, from Alaska southward to Popocatepetl in Mexico, there stretches along the western part of the continent a great highland region bordered on the east by the Rockies, and on the west by various coast ranges, which lies for the greater part more than a mile above the sea, and includes several extensive areas more than 3 miles above sea level.

In South America the Andean system, starting on the Caribbean coast, runs southward to the extremity of the continent. Generally it consists of parallel ranges, between which lies a high plateau, which from 8° N. latitude to 40° S. latitude is in no place less than a mile high, while between 10° and 30° S. latitude it is only at occasional passes that the height is less than 3 miles.

In Asia we have the most extensive of the great highlands. North of the Himalayas, and stretching from the Pamirs in the west, through Tibet, to the border of China in the east, a distance of 2,000 miles, the whole surface is from 3 to nearly 6 miles above the sea, over a breadth in places of 800 miles.

LOWLANDS The largest of the great lowland areas is that of Eurasia, extending from Brittany in the south-west of Europe to Behring Strait in the north-east of Asia, with its greatest breadth just within the borders of Asia.

In South America the greater part of the basin of the enormous river Amazon, with those of the Orinoco and the Plate, form a continuous lowland in juxtaposition to the wall of the Andes, and covering more than half the continent.

In North America the great lowland stretches from the Arctic Ocean to the Gulf of Mexico, and right across the continent from the foot hills of the Rockies to the Appalachians and Laurentian Highlands near the Atlantic shore.

The more important of the smaller lowlands are in Asia, where the fertile plains of the Tigris-Euphrates, Indus-Ganges, and China Proper have always been of consequence.

The Distribution of Daylight and Temperature.

The sun shines on every part of the earth during a total of six months in the year, but the distribution of sunshine throughout the year varies greatly between the Equator and the poles. At the Equator the days and nights are practically equal throughout the year, extension of the length of the day to 12 hrs. 6 min. being due to the refraction of the sun's rays by the atmosphere. As we get further from the Equator, the length of the day at midsummer increases, and the length of the day at mid-winter decreases to a similar extent. At 20° the longest day is 13 hrs. 18 min., and the shortest 10 hrs. 52 min. At 50° the times are 16 hrs. 18 min. and 8 hrs. 0 min., at 60°, 18 hrs. 44 min. and 5 hrs. 44 min., at 65°, 21 hrs. 46 min. and 3 hrs. 24 min. At 66½°, the latitude of the Arctic and Antarctic Circles, the longest day is 24 hrs. long and the shortest 0 hrs. long. In other words, the midnight sun of summer is balanced by the midday darkness of winter. Within the Circles the length of the longest summer day and the longest winter night increase to a week, a month, two months, and so on, until at the poles themselves the longest day is six months long and the longest night also six months, so that day corresponds with summer and night with winter.

If the average annual temperature of a large number of places all over the world is taken, it is found that the warmest parts of the world lie approximately between the tropics, and that towards the poles the temperature falls gradually until perpetual snow and ice are encountered.

For convenience of description, the terms *hot*, *temperate*, and *cold* are applied. This arrangement corresponds with the average height of the sun. All places within the tropics have the sun directly overhead twice during the year, and at a considerable midday altitude during the rest of the year. On the Equator this altitude is never less than 66½° above the horizon. Outside the tropics the altitude of the sun at midday gets lower, until on the Arctic and Antarctic Circles (66½° from the Equator) the sun is never higher than 47° above the horizon in summer and is on the horizon in mid-winter at noon. Within the Circles the greatest altitude becomes less and less, until at the poles the sun is never more than 23½° above the horizon. But while this symmetrical arrangement of hot, temperate, and cold zones holds, when a whole year is considered, the actual, or even average monthly, conditions vary considerably.

A line passing through the hottest parts of the globe, after corrections to sea level have been made, is called the heat equator. In January, when the sun has been farthest south and is returning, the heat equator is an irregular line lying on both sides of Capricorn. It then moves northward until in July it lies on both sides of Cancer. With this movement of the heat equator the other temperature belts move also.

The effect of the sun's rays varies with its height above the horizon, being least when it is actually on the horizon and greatest when at the zenith. The greatest amount of insolation will, therefore, be experienced at noon when the sun is nearest the zenith; but owing to the fact that more heat is generally received at any place before noon than

is radiated by the earth, the highest temperature during the day is after midday, being in summer, in England, between 1 and 2 p.m. At night, when heat is being radiated by the earth and none received, the coldest period is between midnight and dawn, unless other conditions intervene.

When a whole year is considered, there is a similar distribution of temperature over the greater part of the world. Most heat is received during a period immediately before and after June 21st in the northern hemisphere, but the hottest month is usually July. In the winter, January is the coldest. In the southern hemisphere, conversely, January is the hottest month and July the coldest.

Range of Temperature. Range of temperature, or difference between the highest and lowest average temperature during certain periods is least in the oceans, and most in those parts of the land farthest removed from the ocean; it is also smallest at the equator and greatest toward the poles. Then, too, in a region of considerable rainfall and abundant vegetation there is a less range than in a rainless region practically devoid of vegetation. This is particularly noticeable in the daily variation, the hottest days in the Sahara sometimes being followed by very cool nights. The "cold pole" of the northern hemisphere is not, as might be expected, in the Polar regions, but in the neighbourhood of Verkhoyansk, in Siberia, where at 400 ft. above the sea the average temperature for January is 60° below zero F., or 92° of frost. Verkhoyansk, also, has the greatest range of temperature known, for while the average range in oceanic islands on the Equator is only 3° or 4° and that of London 26°, it has a range of 120°, i.e., from 60° below zero in January to 60° above in July.

Vertical Distribution of Temperature. In all parts of the world an increase in the height of the land leads to a decrease in temperature, but the rate of decrease is modified considerably by latitude, rainfall, and the relative height of the surrounding country. In Africa, on the equator, only those mountains that rise above 17,000 ft. are above the line of perpetual snow. In Britain, snow sometimes lies throughout the year in sheltered corners of Ben Nevis, where a few hundred feet would carry the mountain to the line of perpetual snow. In the west of North America, in the great plateau region, the snow line is much higher than might be expected from the altitude. This is due, no doubt, to the general high level of the country, and if isolated mountains sprang straight from the sea level instead, the snow line would doubtless be lower.

Distribution of Winds. Winds are caused by the unequal heating of the air in different parts of the world. When air is heated it expands, and, bulk for bulk, is lighter than cooler air, so that whenever there is unequal heating and a consequent disturbance of pressure, a movement at once takes place which tends to restore the balance. This is well illustrated in an ordinary room where a fire is burning. The air above the fire is warmed and expanded, and being thus made lighter, is displaced by the air outside the room, which forces its way between the fittings of the door and windows, and gives rise to draughts.

The great differences of temperature that affect the circulation of the air are (1) between the high temperatures of the equatorial regions and the lower ones toward the poles, and (2) between the continent and the oceans.

The movements due to (1) are sometimes called the planetary circulation. If there were no large continents to disturb the arrangement, the following belts of winds and calms would be set up—

- (1) North Polar system.
- (2) Westerly and south-westerly system.
- (3) Calms of Cancer.
- (4) North-east trades.
- (5) Doldrums or Equatorial calms.
- (6) South-east trades.
- (7) Calms of Capricorn.
- (8) Westerly and north-westerly system.
- (9) South Polar system.

These systems are set up in the following manner: The heating and consequent rising of the air in the neighbourhood of the Equator gives rise to a flow of air on either side, forcing the heated air upwards. The belt where the air is rising has practically no wind, and is known as the Doldrums, or the belt of Equatorial calms. The flow of air from the north and south constitutes the trade winds, but, on account of the rotation of the earth, these actually blow from the north-east and south-east. The air that rises in the Equatorial belt of calms moves northward and southward towards the poles and above the trades, so that when it carries clouds with it they can be seen moving at a high altitude in an almost opposite direction to the trade winds on the surface of the earth. In the neighbourhood of the tropics the high currents begin to descend, and since when air is descending, as when it is ascending, little wind is felt, two belts of calms—the Calms of Cancer and the Calms of Capricorn—are set up. The regions where these are experienced are known as the horse latitudes. On approaching the earth, part of the descending air flows into the trades again and part continues towards the poles near the surface, giving rise, on account of the deflection due to rotation, to the south-westerly and westerly winds of the northern hemisphere and the north-westerly and westerlies of the southern.

All the continents exercise a modifying influence on the planetary circulation, more especially in the Old World, where the monsoon system of Asia completely effaces it. Monsoon systems associated with the other continents hold sway only at certain seasons.

The planetary winds that are best developed are those of the southern hemisphere, where the westerlies, known as the "brave west winds," blow almost entirely across the ocean.

As the position of the Doldrums depends upon the position of the heat equator, they move north and south with it, and so, too, do the other systems. This north and south swing is most noticeable in its effects on rainfall.

The monsoons of Asia, which exercise such a profound influence over India, China, and the neighbouring lands, are due, broadly, to the fact that in summer the land is much hotter than the sea, so that there is a flow of air from the sea to the land; while in winter the land is much colder than the sea, and, consequently, the flow of air is towards the sea.

In India this alternation expresses itself in the wet south-west monsoon of summer and the cool north-east monsoon of winter. In other countries the directions are different, but the movement from sea to land in summer and land to sea in winter is the same.

The Distribution of Rainfall and Climate. The

precipitation of the moisture in the air as rain depends upon the lowering of the temperature of the air to a point when it can no longer contain the whole of its moisture. To some extent, this cooling occurs when a warm wind blows over a cooler stretch of country, but by far the most common cause is the rising of air, either because of mountains that lie in the paths of winds, or because of the upward spiral movements known as cyclones, or from such conditions as exist near the equator. The upward movement leads to a reduction of pressure, and a consequent gradual expansion and cooling until the moisture is precipitated. On the other hand, as ascending air cools and tends to give up its moisture, so, *per contra*, descending air rises in temperature, and can take up more moisture; in other words, such air is rainless. So, too, for similar reasons are winds blowing to a warmer region.

As a result of the planetary circulation of the air, there are three principal rain belts: The Equatorial belt of very heavy rainfall, and the prevailing westerly systems of the north and south hemispheres. Between these are the trade winds, which are not generally rainy, except when they strike against a mountainous coast after traversing a large expanse of ocean. In the westerlies, rain falls on account of the upward currents caused by cyclonic movements. All these systems move north and south with the sun, so that some regions have rain only at certain times of the year. In the tropics a region is in the rainy Equatorial belt at one part of the year and in the dry trade wind belt at another. This accounts for the wet and dry seasons, and since the sun is overhead twice during the year at each part of the tropics, there are generally two well-marked rainy seasons. In parts the rain belt does not move far north and south, so that here there is heavy rain throughout the year.

Further from the Equator the two rainy periods merge into one so that there is a wet season, which occurs in the summer, and a dry season. The length of the wet season diminishes with the distance from the Equator until at such places as Khartoum, in Africa, it lasts for only a few weeks. Beyond this is the desert, where rain falls only at long and irregular intervals. Here the dry belt moves north and south, but not far enough for some parts ever to be in either equatorial rainbelt on the one side, or the temperature rainbelt on the other. In all the continents, either on or near the tropics, are arid or semi-arid regions. In North Africa is the Sahara, and from there an arid region stretches through Arabia and right across Asia almost to the Pacific, with but few breaks. In North America the deserts of Arizona and Mexico are outside the tropics, but in all the three southern continents the western portions on the tropic of Capricorn are desert: the Atacama desert in Chile, the Kalahari and other dry areas in South Africa, and the great desert of Australia. In each case, the eastern side of the continent is backed by mountains, which condense the moisture of the trade winds and so have a rainfall sufficient for agriculture.

Beyond the desert regions are lands that are in the dry belt during the summer and in the temperate rainbelt during winter. Such are, to a large extent, the countries lying around the Mediterranean. In California similar conditions prevail, the rainfall at San Francisco in July being nil and

in January 5 inches. In South America, parts of Chile, and in Africa and Australia, the extreme southern limits of the continents also have dry summers and more or less rainy winters.

Beyond these regions are the lands such as Britain, where rain falls throughout the year, and is heaviest on the west and in mountain areas near the ocean. The Pennines and Cumbrian Mountains in England, the Highlands of Scotland and Scandinavia, the Western Mountains of Canada, the Southern Andes in South America, and the Southern Alps of New Zealand all lie across the path of the rain-bearing winds, and separate a very wet western slope from a much drier eastern.

Distribution of Vegetation. Economically, the chief vegetation areas are the tropical forests, the tropical grass lands, and, in one sense, the tropical deserts, the warm temperate evergreen forests, the cool temperate evergreen forests, the deciduous forests between and overlapping these, and the temperate grass lands.

Distribution of Economic Plants. The distribution of plants depends very largely on soil and climate, and in considering large areas the more important of these is climate. The most valuable plants still sought in the natural state are the trees producing timber and the grasses that feed the flocks and herds of such regions as the prairies of America. Rubber-producing plants, until recently sought after in virgin tropical forests, are now being grown in plantations.

From tropical forests, whose dense growth is due to the combination of great heat and heavy rainfall, the hardest woods—teak, mahogany, and ebony—are obtained. These forests are found all round the world on both sides of the equator, especially to the north.

The cool temperate forests extend across the northern parts of North America in the New World, and Europe and Asia in the Old World. In the colder forests, conifers (pine, cedar, spruce, fir, larch) are the prevailing type, while in the warmer parts, forests with oaks, beeches, and maple are found. The temperate forests have been very extensively and wastefully cut down. Except in Germany and a few other European countries, no effective means of replanting have been instituted. In some North American forests the white pine, a most useful and at one time a very plentiful timber, has practically disappeared. Part of this disappearance is due to cutting down for lumber, and part to the burning off of forests to make room for agriculture.

CEREALS. *Wheat* flourishes in the temperate zones: in the northern between 35° and 50° N., and in the southern just south of 30° S. In subtropical countries, as the North of India, in the upper basins of the Indus and the Ganges, it is grown as a winter crop.

Oats will ripen not only in many parts suited to wheat, but also further north and in places with a climate too damp for wheat. In England, where both crops are grown on the same farms, a damp season generally ensures a plentiful oat crop, and a dry season a good wheat crop.

Barley, the most widely distributed of the cereals, can be grown further north than oats, and as far south as wheat.

Rye, from which black bread is made, will grow on the poor soil and with the cool climate of north-western Europe, particularly in the countries bordering the Baltic.

Maize, or Indian corn, is most largely grown in North America, which produces four-fifths of the world's supply, and in southern Europe. It requires a higher temperature than wheat, more especially at night.

Rice is the food of a large part of the human race living in tropical and sub-tropical lands, particularly in China, India with Burma, Japan, and Java. The most suitable situations are on the low-lying flood plains and deltas of the rivers, where the heat is greatest, and where the flooding of the fields is easy. In hilly districts varieties are grown, however, which do not require this flooding.

OTHER PLANTS. The *vine* is grown in Europe in those countries bordering the Mediterranean and northward in France to about the latitude of Paris, and in Germany to about the latitude of London. In North America there is a similar range; while in South America, South Africa, and Australia the chief areas are just south of parallel 30° S.

Sugar. Cane sugar requires the high even temperatures of the tropics and the adjacent lands to bring it to perfection. Beet sugar, grown most extensively in Germany and the neighbouring countries in the same latitude, requires greater attention in growing and more skill and care in manufacture, but is largely displacing the tropical product.

Coffee, which is entirely tropical in range, grows best in the uplands, the plateau region of south-eastern Brazil producing the bulk of the world's supply.

Cocoa, or more correctly cacao, is likewise tropical in range, but, on the other hand, requires a low land situation.

Tea. Except for small quantities of maté or Paraguay tea, grown in South America, the bulk of the world's tea supply is from India, Ceylon, China, and Japan. Natal and some other British colonies also produce small amounts. The tea plant grows best where there is plenty of warmth and rain, but where the surplus rainfall is soon drained off, so that the plantations are most usually found on the hillsides.

Cotton. The great cotton areas are in the warm, moist plains just outside the tropics, as in the south-east of the United States, in lower Egypt, northern India, and China. Within the tropics the principal areas are in the uplands, as in the Deccan in India. The limit of the cotton area into the temperate zones is largely determined by the complete absence of frost while the plants are growing.

Rubber can be produced from the sap of plants growing in almost all parts of the world, but most easily from some that grow in the tropics, so that, economically, rubber is a tropical product. The most important areas are the Amazon basin, the Congo basin, and the Malay Peninsula, with the adjacent islands.

Distribution of Animals. The animals of the world are divided into six great regions, which are separated from each other either by the ocean or by some great land barrier: (1) The Palearctic Region extends across Europe and Asia, and is bounded on the south by the Sahara, the desert of Arabia, and the great Highlands of Central Asia. These deserts and highlands form barriers between the different regions as effective as a wide ocean. South of the Sahara, in Africa, is (2) the Ethiopian Region. South of the highlands of Asia is (3) the

Oriental Region, which includes India, the south part of China, and the intervening peninsulas. To the south-east of this is (4) the Australian Region. The islands lying between these are sharply divided into Oriental and Australian sections. The two Americas, separated from the other regions by broad oceans, are themselves divided into (5) the Nearctic Region of the north and (6) the Neotropical Region of the south. Between these the desert regions north of the tropic, the mountain area of Mexico, and the narrowness of the isthmuses of Central America form a very effectual barrier.

The number of wild animals of economic importance is rapidly becoming less. Furs and skins are obtained from all the regions to a greater or lesser extent, but the most valuable are undoubtedly those of the thick-coated animals in the north of the Palearctic and Nearctic Regions. In the Ethiopian and Oriental Regions the elephant is of importance as a source of ivory, and in the latter as a means of transport also.

With the opening up of the great plains of North America and Siberia in the north and Argentina, Australia, and New Zealand in the south, together with South Africa, the distribution of domestic animals has been greatly extended. In these countries, unlike Britain and the greater part of the continent of Europe, where animals are kept on farms, sheep and cattle, and, to a lesser extent, horses and swine, are raised in enormous numbers in sparsely peopled lands.

Of sea animals of economic value, the most important are the seal and the whale. These, like many of the land animals, are threatened with extinction, on account of the wholesale slaughter carried on for the purpose of securing skins and oil. In the case of the seal, the number to be slaughtered each year is regulated by the Governments of the countries on whose shores the animals live.

Distribution of Population. Europe, with Britain, India, and China, contain together three-fourths of the population of the world. India and China are agricultural countries, able to support enormous populations, on account of their well-watered plains and abundant sunshine. In Europe the most densely peopled areas are where the presence of coal and other minerals gives rise to great industries. To supply food to those so engaged, intensive farming is carried on in the neighbourhood, thus augmenting the density of population in these areas. In Britain, we have London with about 7,000,000 inhabitants, the largest city in the world, surrounded, however, by thinly-peopled regions, while in a circle of 25 miles' radius with Manchester as the centre, there are between 8,000,000 and 9,000,000 inhabitants, probably the densest population to be found anywhere in the world. In Asia, the Delta of the Ganges-Brahmaputra and the low plains around the mouth of the Yang-tse-kiang are the most thickly peopled. Outside India and China, and the islands of Hondo (Japan) and Java, Asia has a very small population indeed, great stretches, as in the Gobi desert and the frozen shores of the Arctic, being practically uninhabited. The trans-Siberian Railway was attracting people to a long, narrow belt right across the continent, prior to the outbreak of the Great War in 1914; but the chaotic condition of Russia and Siberia in 1919 and up to the time of writing in 1920 has made it impossible to prognosticate as to the future of this part of the world.

In Africa, the most thickly-peopled country of

Egypt and the uninhabited Sahara lie close together, Egypt being really a large oasis. Elsewhere in Africa, except in the neighbourhood of large cities belonging to European peoples, the west coast, from Cape Verd through Upper and Lower Guinea, with the basins of the Niger and Congo, has most people.

In North America the 100th meridian marks roughly the limit of rainfall in the United States sufficient to support agriculture, and is, consequently, the limit of the population of the Mississippi basin. In Canada, the population is thickest from Lake Huron eastward along the north of Erie and Ontario, and then along both shores of the St. Lawrence. The extension of railways, however, is attracting people across the continent, as in Siberia, but to a greater extent. Immigration will no doubt be further stimulated owing to the peculiar post-war economic condition of the Old World.

In Central America, Mexico and Salvador are the chief centres of population. In South America a few stretches of coast in Chili, Brazil, Peru, Venezuela, especially in the neighbourhoods of large towns, contain nearly the whole population of the continent.

In Australia the great desert limits settlement on any scale to the east and south-east coast regions and the extreme south-western corner. There is no real reason why Australia should not normally provide a home for large numbers of people from other lands. The rate of immigration in the past has been very largely influenced by political considerations. These may alter with the lapse of time.

The total population of the world is variously estimated at from 1,500,000,000 to 1,700,000,000. Of these people more than half are in Asia; about a quarter in Europe; a ninth in Africa; a tenth in America; and not more than one two-hundredth in Australia and the surrounding islands.

Europe is the most densely populated continent, with over a hundred people to the square mile, while Australia is the most sparsely populated, having only two to the square mile.

Racially, the Caucasian or white race is the most numerous, forming about half the total, then come the Mongols or yellow races, forming about one-third of the total; while about one-eighth are Ethiopians or blacks. The bulk of the remainder are American Indian, and kindred races.

GERANIUM OIL.—An oil distilled from the leaves and flowers of the *Pelargonium radula*. It is imported from Algiers. The name, however, is frequently applied to several kinds of essential oil of rose-like fragrance, which are used as substitutes for oil of roses.

GERMAN SILVER.—A hard, silvery white alloy of copper, nickel, and zinc in proportions varying according to the purpose for which it is required. It can be spun as well as Britannia metal, and it is largely used as the base of electro-plated goods, in which case the alloy consists of 50 parts of copper, 30 of zinc, and 20 of nickel. Many spoons, forks, and other articles are made of German silver alone, but these soon lose their bright appearance. Silver-oid, argentoid, navoline, and nickeline are poorer substances, closely resembling German silver, but containing an admixture of tin, cadmium, or other metal. German silver is frequently known as nickel silver.

GERMANY.—Position, Area, and Population. Strictly speaking, the term "Germany" means

the land occupied by the Germans, and extends, in reality, across the middle of Europe from the North Sea and the Baltic on the north to the Adriatic on the south. More recently, however, it was taken to be applied to the German Empire, which was so powerful in the early part of the twentieth century, and which has now become disrupted. In 1914, when war broke out, the empire had an area of 208,789 square miles, and a population of a little over 65,000,000. It had increased over forty per cent. in a generation. It was then the third state in Europe with regard to area, and the second in population. After the Treaty of Versailles, Alsace-Lorraine, which had been taken from France in 1871, was restored to the French Republic, together with certain coal measures in the Saar basin, the greater part of Upper Silesia, Posen, and the province of West Prussia were united to the newly formed kingdom of Poland; parts of Schleswig were ceded to Denmark; and the small territory of Moresnet and Malmedy to Belgium. The last-named conceded territory has a population of about 10,000.

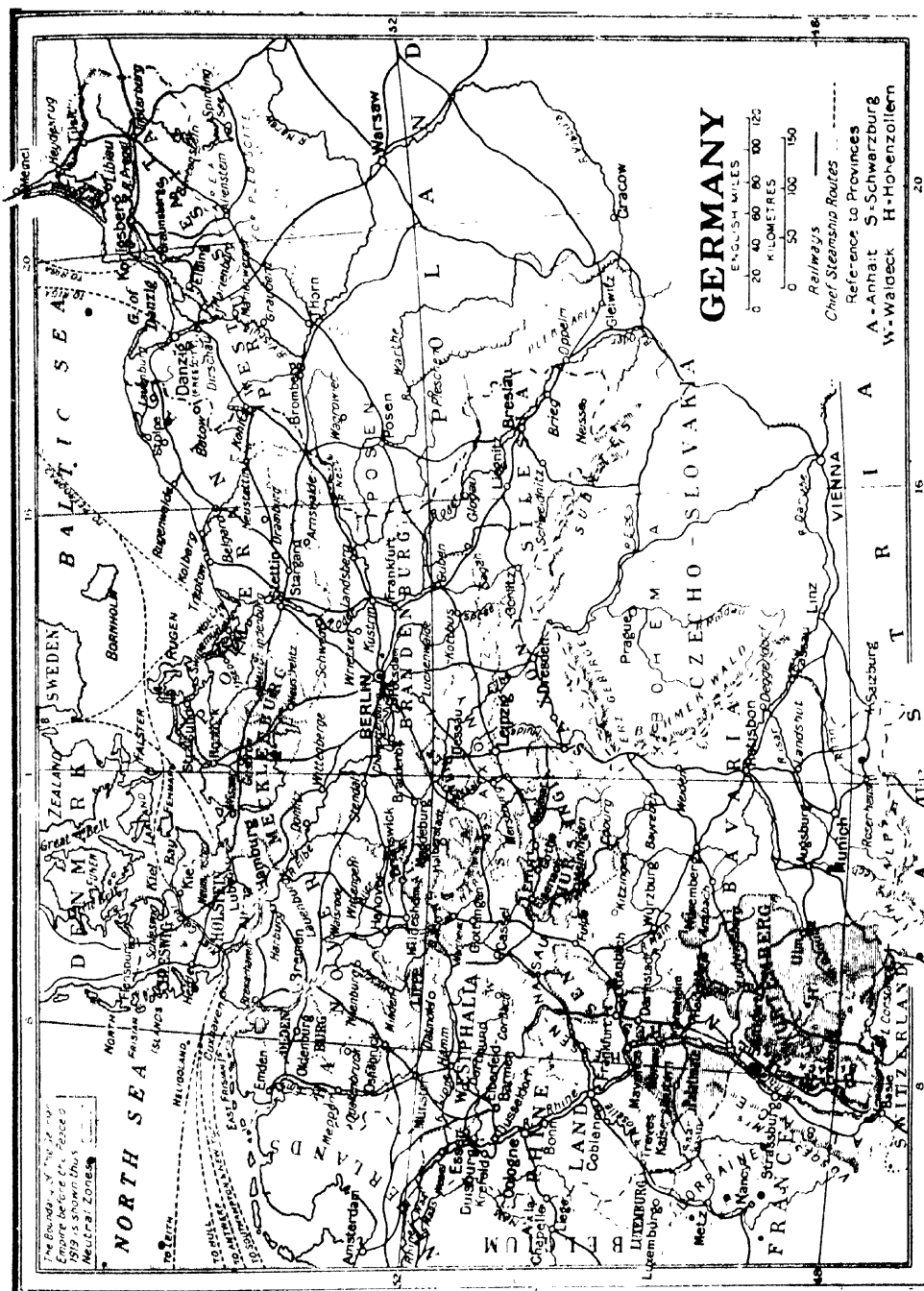
The position of Germany in the centre of Europe gives it a very long frontier, which separates it from Denmark, Holland, Belgium, France, Switzerland, Austria, and Russia. Due north across the Baltic, at no great distance, is Sweden; northward across the North Sea is Norway, and westward Britain. By means of the Alpine tunnels, it is also connected through Switzerland with Italy; and by rail through Austria, Serbia (now included in Yugo-Slavia), and Bulgaria with the Black Sea.

Recent History. During the period immediately before 1866, Germany, in the wider sense, was made up of thirty-five states known as the Deutsche Bund or German Confederation, varying in size from a single town to a country of the size of Prussia. The struggle for leadership was between Prussia and Austria, and was settled by the war of 1866, in which Prussia was victorious. Previously, too, Prussia had also taken Schleswig-Holstein from Denmark. In 1871 the rich provinces of Alsace and Lorraine were taken from France, and thenceforward supplied the country with much of the iron ore needed for its ever-increasing steel production. In 1890, Heligoland, a small island off the mouth of the Elbe, was obtained from Britain in exchange for a tract of land in Africa. The possession of this island and Schleswig-Holstein secured the safety of the canal joining the North Sea at the mouth of the Elbe with the Baltic and Kiel, and so gave Germany an enormously enhanced position as a naval power.

All this has now been changed. The territory lost in Europe has already been mentioned, and it is to be added that it is one of the terms of the Treaty that the fortifications of Heligoland shall be dismantled.

Again, Germany had gradually gained valuable possessions in all quarters of the world, and her colonies were likely to play a great part in the empire's economic expansion. As a result of the war Germany has had to renounce the whole of her overseas possessions, and some of these have already been allocated to the various powers, or left to be dealt with later on by the League of Nations.

The German Emperor abdicated on the 9th November, 1918, two days before the Armistice, and since then the country has been ruled by the Council of the People's Commissioners. The



Federal Legislature consists of a single chamber—the Reichstag—which represents the whole nation and is elected by popular suffrage.

As it is quite clear that Germany has not yet completely settled down, any changes that may take place before the end of the *Encyclopædia* is reached will be found in the Appendix.

Build and Climate. North Germany is a low plain, which rises more or less steadily southward to the mountains of Bohemia and Switzerland. The principal divisions of the country are the North German Plain, the Central Highlands, the South-Western Highlands, with the plain of the Rhine, and the Alpine region in the south-east. The northern plain is an actual plain only in parts. For the most, it is hilly, with few of the hills rising, however, above 600 ft. The Central Highlands are part of the system extending from the Carpathians westward. It includes, in Germany, the North German Rhine Highlands, the Hunsrück, the Taunus, the Harz, the Thuringian Forest, the Fichtel Gebirge, the Erz Gebirge, the Rieser Gebirge, and the Sudeten Bergland. In the south-west are the Vosges, Black Forest, and the Swabian and Franconian Jura. From the southern boundary northward to the Taunus is the low-lying plain of the Rhine, bordered by the Vosges and Black Forest in the southern half and lesser uplands further north.

The increase of altitude to the south counteracts to a large extent the decrease in latitude, so that except in the low-lying plain of the Rhine and the valleys of the Mosel, Neckar, and Main, the average temperature is but little higher in the south than in the north. The summers are, indeed, warmer, but the winters of the south are as cold as those due north of them in the plain. The low-lying river valleys of the south-west are actually the warmest parts of the whole country, having hot summers and mild winters. In the west generally, the climate is fairly moist on account of the influence of the sea, and for the same reason the differences between summer and winter are not great. Eastward, however, and more especially north-eastward, the rainfall diminishes and the difference between summer and winter becomes more extreme, so that while the vine will ripen in summer further north here than in any other part of the world, the Baltic ports are blocked by ice in winter, and for an increasing period as the Russian border is approached. Spring is much earlier in the south-west than in the north-east, vegetation in the Rhine valley being well advanced before the districts toward the Russian frontier have lost the winter covering of snow.

The character of the German coasts is a matter of considerable interest and importance. On the North Sea they are low-lying like those of Holland, and in some places have to be protected by dykes. The sea for many miles from the shore is very shallow and difficult to navigate on account of banks, some of which, rising just above sea-level form low islands such as the Frisian Islands in the west and the North Frisian Islands (Sylt and the Haffagen) off Schleswig-Holstein. In the west, the great stretches lying below extreme high water and low water are divided into "marshes" near the shore and "watten" nearer the sea. The former have been, in many cases, reclaimed by the building of dykes, and form very fertile farm land, more fertile, in fact, than the sandy soil above sea-level. Such coasts are very difficult of approach, except

through certain channels, and are, consequently, easily defended; while for further defensive purposes a ship canal was in process of construction at the time of the outbreak of war, through the low-lying lands between the large estuaries, from the mouth of the Elbe to Bremerhaven and thence by Wilhelmshaven to Emden on the Dollart. This line, when completed, coupled with the Kiel Canal, would give a sheltered route for vessels from end to end of the country.

On the Baltic the larger rivers have wide mouths, across which the silt, brought down by the rivers, has built long, narrow spits or *nehrungs*, which convert the mouths into large, shallow lakes, or *haffs*, connected with the sea by very narrow channels. This peculiarity has led to the growth of secondary out-ports, as, for example, on the Oder. Here Stettin, some way up the river, has Swinemünde on the sandy *nehrung*, almost on the Baltic, as its out-port.

Besides being more advantageously placed for commerce with the greater part of the world, the Atlantic coasts have the further advantage of being always ice-free. The Baltic ports, on the other hand, owing to the shallowness of the sea, the comparative freshness of the water, and the severe winters, are all blocked by ice during the winter.

The Rivers and Canals. With the exception of the Weser, none of the larger German rivers lies wholly within the country. The Rhine enters from Switzerland and its tributary, the Mosel, from France, and just after passing Emmentich, enters Holland on its way to the sea. This is undoubtedly a disadvantage, but in the case of the Elbe from Bohemia and the Vistula from Russia, a considerable amount of trade from these countries finds its way to German ports. The Danube, on the other hand, rises in Germany and flows into Austria. All the rivers, except the Rhine, even those from other countries, rise in the Central Highlands, and have diminished currents in dry weather. The Rhine, however, rising in the Swiss glaciers, always maintains a considerable volume.

A peculiar feature of all the large rivers whose mouths lie in Germany is their general north-eastward direction and the sharp right-angled bends in their lower courses. Reference to the map will also show that many of the north-eastward stretches in one river seem to be continued by a tributary entering the next river from the east. This arrangement greatly facilitates the joining of adjacent rivers by canals, so that it is possible for goods to be sent by water almost the whole way from east to west of the country. By the settled policy of extending this east and west canal system, and improving the river navigation southward, sometimes, indeed, also augmenting it by canals, the whole country is being covered with a network of fine waterways, which provide the means for cheap transit in every direction, especially for heavy raw materials, such as ore and coal, which will not bear the cost of carriage by rail. The westernmost angle of the Vistula is quite close to the Netze, a tributary of the Oder, and is joined to it by the Bromberger Canal. Similarly, the Oder is joined to the Spree and the Havel by the Frederick William and Finow Canals. Quicker communication is proposed by a canal from the Oder direct to Berlin. Besides the ship canal mentioned above, from the Elbe westward to Emden, another ship canal is being made—chiefly

by the enlarging of the present waterway—southward from Emden to Dortmund and then westward to the Rhine, thus giving, in effect, the Rhine a mouth in Germany. Another ship canal was projected some years ago, which would give communication between the Baltic and the Danube, and so with the Black Sea. This was to follow the course of the Oder to the borders of Austria. From here a canal was to join the March, one of the tributaries of the Danube. For this the watershed was to be tunnelled, the size of the tunnel being sufficient to allow the passage of ships of 600 tons.

In Bavaria, the Ludwig Canal connects the navigation of the Rhine and Danube. It runs from the Main, up the Regnitz valley, past Nuremberg, and thence through hilly country, to the Altmühl, a tributary of the Danube.

The Kaiser Wilhelm Canal, from Brunsbüttel, the mouth of the Elbe, to near Kiel on the Baltic, is deep enough to allow the largest vessels to pass through it. Commercially, it shortens the voyage between the North Sea and the Baltic by hundreds of miles. Strategically, it was of the highest importance, as it allowed the Navy to move quickly to any point on either coast, and at the same time provided an easily defended retreat. Its dimensions are, length, 61 miles; depth, 29½ ft.; width at surface, 210 ft.; width at bottom, 72 ft. Its future utility remains to be seen.

The total length of navigable waterways in Germany is 8,464 miles. Of this, 4,922 miles are less than 6 ft. 7 in. deep, and 520 miles more than 16 ft. 5 in. deep.

Lakes. The principal lake area in Germany is in the eastern part of the northern plain. The lakes fall into two sections, differing in character and origin. Those along the low shores of the Baltic, in Pomerania, are regular in outline and shallow. They have been formed by the sediment brought down by the rivers forming sand-spits which have cut them off from the sea. Those further inland lie on a low plateau; they are very irregular in shape and very deep, and are drained by short, swift rivers frequently broken by rapids.

Railways. The total length of railway of ordinary gauge is nearly 40,000 miles, of which only about 3,500 miles are owned privately, while about 24,000 miles belong to Prussia. The principal railway centre is Berlin. The chief lines of international importance are: southward along Rhine valley through Switzerland (St. Gotthard tunnel) to Italy; eastward where the Orient Express from Paris passes through Strassburg, Stuttgart, and Munich to Constantinople, via Vienna; north-eastward in which direction the line from Paris to Petrograd and other parts of Russia passes through Cologne and Berlin.

The German States. The distribution of the component States of the former German Empire, and which now make up the Republic of Germany, is very complex. Some of the smaller States are but patches in the middle of larger ones; others, again, are composed of a disconnected group of such patches; in one case two constituent parts of a State being 180 miles apart. The positions of the larger States, however, are simple.

The former Kingdom of Prussia, the largest of all the States of Germany, occupies the northern half of the country from the borders of Holland, Belgium, and Luxembourg, on the west to Russia on the east, and Austria on the south-east, and has

an area of about 101,000 square miles and a population of 33,000,000. Its capital is *Berlin*.

The former Kingdom of Bavaria is divided into two somewhat unequal parts. Its area is a little less than 30,000 square miles, with a population of about 8,000,000. Its capital is *Munich*.

The former Kingdom of Saxony occupies the northern slopes of the Riesen Gebirge. It is the most densely populated of the German States, having a population of about 5,000,000, whilst the area of the State is under 6,000 square miles. The capital is *Dresden*.

The former Kingdom of Württemberg is a little larger than Saxony—7,500 square miles, and a population of nearly 3,000,000. Its capital is *Stuttgart*.

After the four former Kingdoms, it is necessary to notice—

(1) The former Grand Duchies—Baden, capital *Karlsruhe*; Hesse, capital *Darmstadt*; Mecklenburg, capital *Schwerin*; and Oldenburg, capital *Oldenburg*.

(2) The former Duchies—Anhalt, capital *Dessau*; Brunswick, capital *Brunswick*; Saxe-Altenburg, capital *Altenburg*; Saxe-Coburg-Gotha, capital *Gotha*; and Saxe-Meiningen, capital *Meiningen*.

(3) The former Principalities—Lippe, capital *Detmold*; Reuss (Elder Branch) capital *Greiz*; Reuss (Younger Branch), capital *Gera*; Schaumburg-Lippe, capital *Bückeburg*; Schwarzburg-Rudolstadt, capital *Rudolstadt*; Schwarzburg-Sondershausen, capital *Sondershausen*; and Waldeck, capital *Arolsen*.

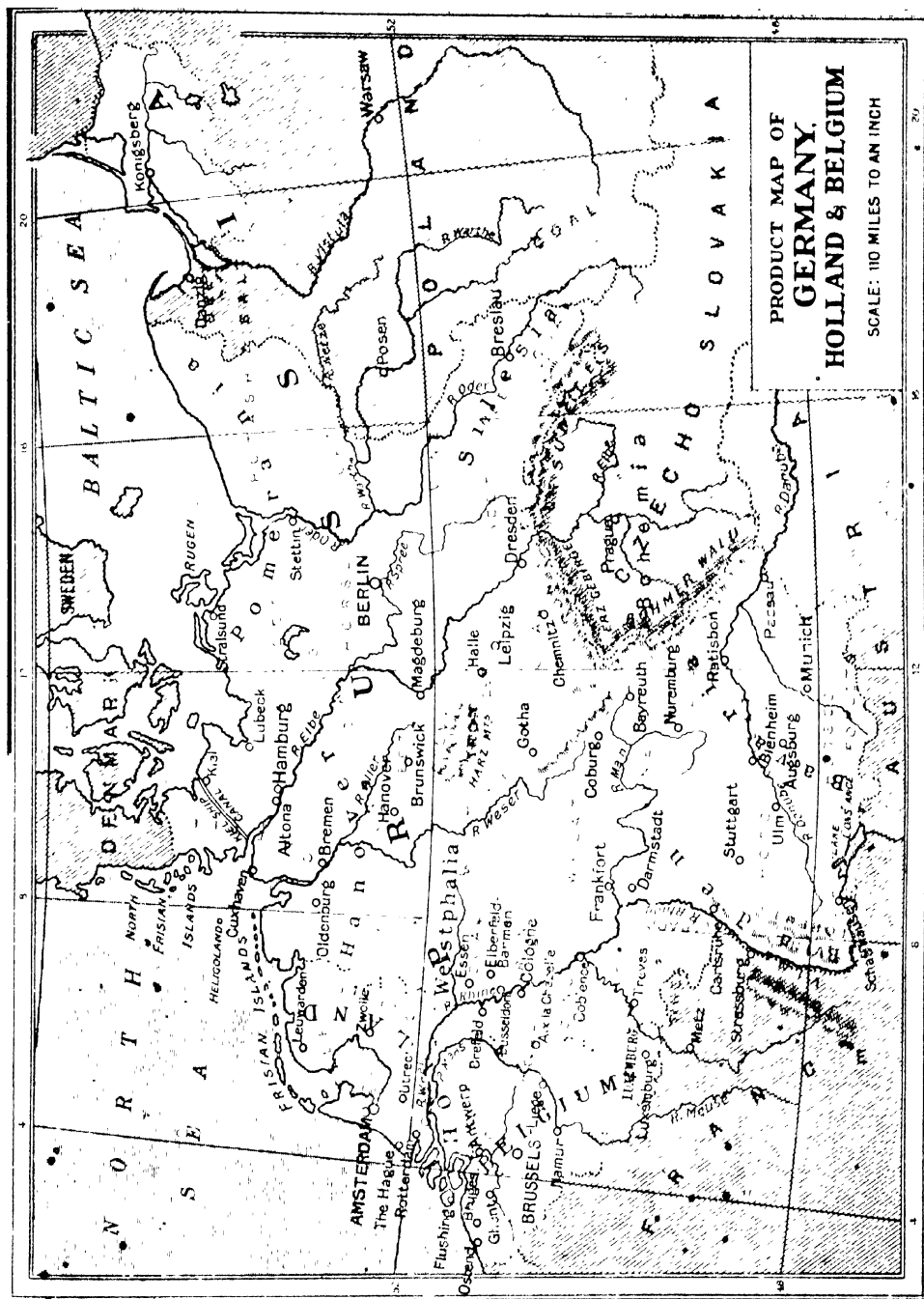
(4) The three Hanse Towns—Hamburg, Lubeck, and Bremen.

The positions of each of these are clearly indicated on the map, which also shows their comparative sizes.

Languages in Germany. The bulk of the people speak one of the two principal forms of German: Low German in the north and High German in the south. The principal non-German language is Polish, chiefly in the south-east. In the valley of the Upper Spree, between Kottbus and Bautzen, an old Czech dialect known as Wend, still survives. Except in a portion in the south, the French language crosses the frontier for some miles into Germany. In the extreme north-east the old Lithuanian language is used on both sides of the Russian frontier; while on the borders of Denmark, Danish is still spoken. The dialect spoken in the North Frisian Islands, particularly in Sylt, is the one that most nearly approaches English.

Outside the political boundaries, German is the native language of Austria and parts of Belgium, Holland, Switzerland, Hungary, and Bohemia; while scattered through western Russia and Roumania are numerous small districts where German is the prevailing tongue.

Productions and Industries. Much of what is stated here refers to the condition of Germany in normal times, that is, up to the period before the outbreak of war. Without attempting to prophesy, there is nevertheless a great belief that Germany may revive and that the conditions may, in all real respects, resemble those of by-gone years. Down to the middle of last century, Germany was an agricultural country. More recently the people became engaged in industrial occupations rather than in any other, while large numbers are engaged in trade and commerce. Agriculture, however, is still very important.



PRODUCT MAP OF
GERMANY.
HOLLAND & BELGIUM

SCALE: 110 MILES TO AN INCH

Minerals. The principal mineral raised is coal. Iron ore, is raised in Westphalia, Rheinland, Luxemburg, and Saxony. Silver and lead are produced in the Harz and Saxony. The production of copper is about the same as that of silver, and is chiefly from the Harz. Tin and zinc are also obtained. From the northern lowlands potassium and other salts, especially rock salt, are derived.

Agriculture. The most extensively grown crop is rye. The next in importance are hay, oats, potatoes, wheat, barley, sugar beet, vines, hops, tobacco.

Sugar-beet. Germany is the chief beet-growing and sugar-making country in Europe, and successfully competes, in Britain and other countries, with cane sugar. This is due to a great extent to the methods employed in the extraction of the juice and the manufacture of the sugar, these methods more than compensating for the easier cultivation of the sugar cane in tropical countries and the cheaper labour available in those countries. The States producing the greatest quantity are Prussia, Brunswick, Anhalt, and Bavaria. The principal centres of the sugar manufacture are Frankfurt-on-Oder and Magdeburg.

Forestry. With agriculture might also be reckoned forestry, on account of the attention paid to the cutting down and replanting of the forests. Altogether 26 per cent of the surface is covered with these forests, especially on the hill slopes of the centre and south, much of the north being unsuited to trees on account of the strong winds from the north-west. One-third of the forest area is under oak, birch, ash, and beech, the latter being very plentiful on the chalk soil of the island of Rugen and the western end of the Baltic country. The proportion under these trees is, however, being diminished in order to increase the area under conifers. Of this area, the Scots Pine occupies about half.

The Iron and Steel Industry. Before the war, Luxemburg and Lorraine, although together producing 80 per cent of the total output of iron ore, had not a correspondingly large iron industry, as the lack of coal in those parts had led to the conveyance of much of the ore to the Ruhr basin coalfield. Some coal, however, was brought back by the trains that had conveyed the ore, and there was, consequently, some production of iron and steel. Coal from the Saar coalfield was also used. Owing to the alterations in the territorial boundaries after the Treaty of Versailles, these conditions have changed. The most productive ore is found in the neighbourhood of Bonn, and sells at from four to five times the price of that of the south-western provinces. Other iron ore producing regions are Breslau and Clausthal.

The principal steel-producing region is Westphalia, more than half being made by the Bessemer process. An important feature of the German steel trade is the large export of partly manufactured steel and steel goods.

The Cotton Industry. The cotton industry of Germany is less localised and, consequently, less specialised than that of Britain. The provinces with the largest number of spindles are Prussia, Saxony, Bavaria, and Wurtemberg.

Although at one time dependent upon the Liverpool market for supplies of raw cotton, Germany now buys direct, the cotton market being at Bremen. More than one-third of the total export of cottons are sent to Britain, which sends in return

cotton manufactures to an even greater value. Other countries taking a considerable portion of the exports are the United States, Austria, and the Netherlands.

The Chemical Industry. The manufacture of chemicals, including dyes and manures, advanced to a phenomenal extent in recent years in Germany. In part this was due to the commercial aspect of the teaching of science in some of the universities, but also to the unique mineral resources of the country. At Stassfurt, and other parts of the northern plain, there are deposits of common salt and also chemical salts found in no other part of the world in such easily available form. Aniline dyes and other chemicals made from the by-products of coke and gas-making are also important. The effect of the war upon the chemical industry will only be thoroughly understood when conditions become more normal. It is quite certain that Germany will never again enjoy the monopoly which she had prior to 1914.

Commerce. The change of the condition of Germany from an almost purely agricultural state to one predominantly industrial led to the trade with other countries closely resembling that of Britain, *i.e.*, the imports are largely food and raw material, and the exports chiefly manufactured goods.

It is idle to speculate as to what might have happened if the Great War of 1914-18 had never taken place, and as to what will happen as the result of that struggle. Consequently, any figures or statistics of any kind cannot have the slightest real value at the present time, and, consequently, no reference is made to them. The statements hereafter made have reference to Germany in its normal condition, which may possibly be quickly restored.

Principal Districts and Trade Centres. **THE NORTH GERMAN PLAIN.** The North German Plain may be divided, for purposes of description, into three very unequal areas, whose boundaries are formed by the Weser and the Elbe. The two western divisions form the Prussian province of Hanover and the former Grand Duchy of Oldenburg. West of the Weser the surface becomes more and more like Holland in character; the shores of the Ems estuary and the Dollart are dyked, and windmills become a prominent feature, while the barren Bourtanger Moor lies on both sides of the frontier. The most fertile lands are those which have been reclaimed from the tide, the sandy soil further inland, known as *egest*, being little suited for agriculture. Inland, the land becomes more hilly, but never rises to any great height. Between the Weser and the Elbe is the next division of the northern plain, flat in the north, but with low hills further south in Lauenburg Heath. Here the lack of fertile soil has prevented agriculture from spreading, and the winds from the North Sea have prevented the growth of natural forest, thus adding to the barrenness of the district. Now, however, considerable plantations of trees are being successfully planted.

To the south-east of Hanover and lying on both sides of the Elbe is the Prussian province of Saxony. The principal manufacturing towns within the borders of Hanover are: Oldenburg, the capital of the Grand Duchy, built on the left bank of the Hunte, where it turns suddenly eastward to join the Weser; Hanover, the capital of the province on the Leine, another tributary of the Weser; Magdeburg, on the Elbe, the capital of the province of Saxony;

and **Magdeburg** in the south. **Magdeburg**, on the Elbe, to the north of the Teutoburger Wald, is rising in importance on account of the discovery of coal in the neighbourhood.

East of the Elbe are the Mecklenburgs and the Prussian provinces of Pomerania and East Prussia along the Baltic, and, inland, Brandenburg, in which lies Berlin. From Pomerania eastward into Russia, and divided into two by the Vistula, is a low, rolling upland region with many lakes, whose rivers cut deep valleys in the soft soil. The soil, though generally sandy, has considerable tracts of fertile soil of a light, clayey nature, known as loess. Forests cover more than a quarter of the eastern section. In the extreme west and on the chalky island of Rügen there are numerous beeches. Oaks, too, are also plentiful in places, but eastward and southward pines become increasingly numerous, until they are the only kind found.

Rye and oats are the principal grains grown; potatoes are extensively grown for the manufacture of spirit.

Berlin (2,070,695)—the population figures are those of 1910—is a city of modern growth, and owes its rise to its central position, first in Prussia, afterwards in the empire, and now in the republic, and to the fact that it lies in a lowland, with easy communication by road and water, over a large area. With regard to its position in Prussia, its distance from Luxembourg, in the south-west, is almost exactly the same as its distance from Tilsit in the north-east, and the same is true with regard to the distances from north-western and south-eastern corners of the State. In its relation to the whole country it is practically equidistant from the most northerly and easterly parts on the borders of Russia. It thus becomes the most convenient capital and the largest railway centre in the country. The waterways converging on it bring 45 per cent. of the total goods it receives. Standing on the Spree, a tributary of the Havel, which, in its turn, is a tributary of the Elbe, it is in direct communication with Hamburg and the North Sea, while two canals link it with the Oder system, and so with its nearest port, Stettin, and the Baltic Sea. Internationally, it occupies an important position on the rail route between Holland and Belgium (and, consequently, England) and north France on the west, and Russia on the east. The rail from Hamburg to Austria and eastern Europe also passes through it.

Like London, Paris, and other large capitals, it has numerous industries of local importance. Besides these, it manufactures large quantities of machinery and numbers of pianos. There is also a considerable output of china and chemicals.

To the south is the working class suburb of **Rixdorf** (237,378) where furniture, linoleum, pizzas are made, and general manufactures carried on.

On the west of Berlin, in fact forming a part of it, is **Charlottenburg**, with 305,181 inhabitants. The technical and commercial schools of Charlottenburg are known throughout the world, and are the models on which many such schools have been organised.

Due west on the Havel, opposite to the junction of the Spree, is **Spandau**, with a population of 84,919, important as a fortified town protecting the western approach to the capital. **Frankfurt-on-the-Oder** (68,230) has large beet factories. **Stassfurt** (16,795) on the Bode, a tributary of the Elbe, is the principal centre for the manufacture of salt, chemicals, and

manure. Industries which are shared with Schönebeck to the north-east on the Elbe, which is the largest producer of salt in the empire. **Magdeburg** (279,685), a little lower down the river, is the capital of the Prussian province of Saxony.

THE BALTIC PORTS. **Lübeck** (98,620) was, in the Middle Ages, the most important German port, partly on account of its favourable position for overland trade with the Rhine basin; and partly because the Baltic was then a greater commercial sea than the North Sea. It was the chief town, too, in the Hanseatic League. Of German ports it is the only one not on a large river giving access to a large commercial area, the Trave, on which it stands, having a small and unimportant basin; but the construction of a canal from the Trave to the Elbe at Lauenburg has considerably increased its trade. At the mouth of the Trave estuary is **Travemünde**, the out-port of Lübeck.

Stettin (236,145), on the Oder, is the nearest port to Berlin, with which it is connected more or less directly by the Finow and Frederick William Canals. More direct communication is proposed by joining the most easterly bend of the Oder with the Spree. It is also the principal port for the great manufacturing district of Silesia, vessels of considerable size being able to reach the Silesian town of Kosel. As a shipbuilding port, it is known throughout the world for the great ocean liners built by the Vulcan Company (**Danzig** (170,347) at the western arm of the Vistula delta, once a most important port of Germany is now a neutralised port). At the entrance to the river Vistula at the eastern end of the delta, is **Elbing** (58,631), once the rival of Danzig, connected with the forested region of East Prussia by the Overland Canal. It is situated near the south-western end of the Frisches Haff, at the north-eastern end of which is the mouth of the Pregel, on which stands **Königsberg** (245,853), a grain and timber-exporting town. **Sillau**, on the northern side of the channel leading from the Frisches Haff to Danzig Bay, is its outport.

Memel (21,470), on the narrow outlet of the Kurisches Haff, is the nearest town to the Russian frontier, and is the natural outlet of the basin of the Memel of Niemen, which enters the Haff further south. But while it exports a considerable amount of timber and other Russian products, its import trade is small on account of the high dues levied on goods going into Russia.

THE ATLANTIC PORTS. Each of the larger rivers flowing into the North Sea has its group of ports. Besides the commercial ports, there is **Wilhelmshaven** (35,047), on the Jade, the principal naval port of Germany. All the North Sea ports are open throughout the year, although, in the coldest weather, ice-breakers have to be used.

Hamburg (932,166), the largest port in Germany, and one of the largest in the world, ranking with London and New York, is on the Elbe, miles from the open sea. Locally, it is the port of Berlin, from which it is 180 miles distant, and the surrounding district, but it is also the river and canal centre of the greater part of Germany. The Elbe makes it, to some extent, an Austrian port. The largest ships, i.e., those drawing more than 28 ft., cannot get higher than **Brunshausen**. Other ports on the Elbe are **Allona** (172,533) adjoining Hamburg; **Harburg** (55,676), across the river; and **Elmshorn** (14,689) lower down. **Cuxhaven** (14,688), at the mouth, is of growing importance as an outport, and although the largest vessels cannot yet approach

at low tide, works were inaugurated in February, 12, by which vessels up to 50,000 will be berthed at all times. *Brunsbüttel* is at the south-western end of the Kiel Canal. *Bremen* (246,827), on the Weser, has its output in *Bremerhaven* (24,140). This port is the most suitable on the whole coast for large vessels, as there is always sufficient water to float them. Adjoining *Bremerhaven* is the port *Geestmünde* (25,099); while about 10 miles below *Bremen* is *Vegesack*, which was important before navigation all the way to *Bremen* was possible. *Emden* (24,038), on the Ems, is on a canal which leads to *Wilhelmshaven*, and at the beginning of the waterway that leads southward to *Dortmund*, on the borders of the great Westphalia manufacturing district. It has thus become a great coal port, dealing largely with the import from Britain.

WESTPHALIA AND THE RHINE PROVINCE.

The great industrial area of western Germany lies partly in Westphalia (Westfalen) and the Rhine Province (Rheinland), the latter lying as far south as *Coblenz* on both sides of the Rhine. On the right bank the Rhine receives the Ruhr, in the basin of which is a rich coalfield. In the immediate neighbourhood of the coal are the iron and steel works; while across the Rhine, but easily accessible, are the textile factories of the Krefeld region. *Dinsburg* (229,478), near the mouth of the Ruhr, has large iron and steel works and many smaller manufactures. On the opposite side of the river is *Ruhrort*, the centre of the coal trade down the Rhine into the Netherlands. *Bochum* (136,916), between *Essen* and *Dortmund*, manufactures steel, especially armour plate for warships. Near *Bochum* is *Gelsenkirchen* (169,530), formed by the growth and coalescence of several smaller towns, occupied mainly in making coke for conveyance to those parts of the country where there is no coal for manufactures. *Mülheim-on-the-Ruhr* (112,602) sends enormous quantities of coal by rail and canal to all parts of Germany. It also has large smelting works and some textile manufactures. *Dortmund* (214,333), of increasing importance on account of its canal connection with the mouth of the Ems northward and the Rhine westward, is a coal-mining and iron-smelting centre. *Cassel* (153,078) has some of the largest railway works in the country. It also manufactures textiles. *Bielefeld* (78,334), at the northern foot of the Teutoburg Forest, owes its importance partly to a break in the hills, through which runs the route from *Cologne* to *Berlin* and also to its linen industry. Just north of the Ruhr is *Essen* (294,629), well known on account of its cast steel and ordnance works, particularly those of *Krupp*. *Barmen* (169,201) and *Elberfeld* (170,118), practically one large town, have large textile industries, chiefly woollen and silk. *Barmen* has also some chemical works. North-eastward from *Barmen* is a "Black Country," through which runs the *Ennperstrasse*. *Oberhausen* (89,897), a town of recent growth, owes its rise to the facilities for iron and zinc smelting in the neighbourhood. *Krefeld* (129,412), west of the Rhine, is the largest producer of silk goods in the country, and is second only to *Lyons* in the whole world. *München-Gladbach* (66,440), and the neighbouring town of *Rheydt* (44,003), form together one of the largest cotton centres in the country. *Cologne* (Coln, 516,167), whose long history testifies to the importance of its position, is the largest port on the Rhine, with a considerable transit trade, distributing to the surrounding country and up the Rhine the goods received direct from *Rotterdam*

and returning goods collected from these parts. The railway bridge connecting it with *Deutz* on the opposite bank is, perhaps, the most important crossing of the Rhine. Next in importance is that at *Düsseldorf* (357,702), on the right bank lower down, with a trade resembling that of *Cologne*. *Bonn* (87,967), to the south of *Cologne*, is a university town, above which begins the splendid scenery of the Rhine gorge. Almost due west of *Bonn*, on the borders of Belgium and the Netherlands, is *Aachen* (Aix-la-Chapelle, 156,044), a centre of great industrial activity. Coal, iron, and zinc are all found close at hand, and there is also a large woollen industry largely dependent on the flocks of the Ardennes for raw material. The southern part of the Rhine Province is mountainous and drained by the Mosel, which flows in a very deeply-cut valley at the mouth of which is *Coblenz* (56,478), the capital of the province. On the slopes of the valleys of the Mosel and the Rhine, south of *Cologne*, are numerous vineyards. In the extreme north of the Rhine Province, on the Dutch border, is the Customs port of *Immerich* (13,425). (As already noticed, part of the Rhine Province or Reichsland has been restored to France by the Treaty of Versailles.)

THE HARTZ AND THE THURINGIAN STATES.

The Hartz form a barrier to communications between north and south, and for a distance of nearly 60 miles there is no railway across them. Commercially, they are important for their minerals, principally copper and silver, found most abundantly around *Mansfeld* in the east, in the neighbourhood of which, as in other parts of the Saale basin, are extensive deposits of lignite.

The Thuringian States are largely agricultural, although there are a number of small industries, such as doll-making at *Sonneberg* (15,878). The most important commercial centres are *Halle-a-Saale* (169,916), and *Erfurt* (111,461). *Eisenach* (38,353) is historically important from its associations with Luther. *Wimar* (34,581), *Coburg* (23,794), *Meiningen* (17,186), *Gotha* (39,581), *Rudolstadt* (17,949), and *Sonderhausen* are the capitals of their respective States. *Greiz* (24,245) is the capital of the *Reichs-Lothar*, and *Gera* (49,283) of the *Younger*.

SILESIA. Silesia consists almost entirely of the upper valley of the Oder, lying between Bohemia on the south-west and Russia on the north-east. The greater part of Upper Silesia, as already stated, has been ceded by Germany and now forms part of the new Republic of Poland. Although possessing good supplies of coal, it was, until the development of railways and waterways, so remote from the sea, especially the North Sea, as to be almost entirely dependent upon the local supplies of raw material, largely ores and wool, for its manufactures. Machinery is, of course, largely used, but there is still an extensive domestic branch in the textile industries. On the forested mountains, particularly those on the Bohemian border, a considerable amount of timber is cut, the rapid mountain streams being used for both power and transport to the Oder, along which rafts are drifted to the Baltic. Coal is found in the south in the neighbourhood of *Königshütte* (72,462) and *Beuthen* (67,718), and at the foot of the *Riesens* *Gebirge* at *Waldenburg* (14,682). Zinc ore (calamine) is found in large quantities on the southern coalfield and is smelted at *Königshütte*. Good iron ore (selling at twice the value of the ores of Alsace-Lorraine) is found near *Breslau*.

Breslau (511,891), the capital, known formerly as *Wratslaw*, was founded where the Oder was most easily crossed, and is now an important railway centre. It has large manufactures of machinery and textiles, principally wool, while in the neighbourhood, at *Hundsfield* and *Oels*, leather and paper are made. *Görlitz* and *Legnitz* (66,620) have large woollen industries, Görlitz also making linen and jute goods, flax being grown in the neighbourhood. *Kösel*, connected by canal with the neighbouring coalfield, is at the head of the navigation of the Oder.

• **SAXONY** The Kingdom of Saxony occupies the northern slopes of the Erz Gebirge, and extends into the northern plain beyond Leipzig. The mountain area, with a poor soil, is forested; the lowland area is very fertile. At the foot of the mountains is a coalfield, which supports the densest population on the continent of Europe, the average density for the whole of Saxony being 779 per square mile. Two-thirds of the workers are engaged in textiles and industries, and the bulk of the remainder in the making of machinery, tools, paper and leather, and mining. The value of the iron output is four and three-quarter million sterling. Beer, over a 100,000,000 gallons per year, and alcohol, in various forms, to the extent of 3,250,000 gallons, are also produced.

Dresden (546,882), the capital, is situated where the route along the foot of the Erz Gebirge crosses the Elbe. It makes large numbers of pianos and builds steamers for the traffic on the river. The china, for which it is famed, is now made principally at *Meissen* (85,790), lower down the Elbe. *Zwickau* (73,538), on the Mulde and in the coalfield, also makes china. *Chemnitz* (287,340) has woollen, cotton, silk, and other textile industries. *Plauen* (121,104) makes the finer textiles of all kinds. At *Erieberg* (36,237) silver, found in the neighbourhood, is smelted. *Leipzig* (587,635), on account of its position, is second only to Berlin in the amount of land traffic it deals with. It is also the most important book and printing centre in Germany.

THE PLAIN OF THE RHINE. From *Mayence* (*Mainz*, 110,634), opposite the entrance of the Main, southward almost to the Swiss border, the Rhine flows through the middle of a broad plain bounded on either side by mountains, the highest of which are the Vosges and the Black Forest. Its low, sheltered, southward position and fertile soil make it a great agricultural region, while in the south-west are a number of industrial centres. In the lower or northern half of the plain, particularly on the slopes of the Hardt uplands in the west, are numerous vineyards, and also in the valleys of the Mosel, Neckar, and the lower Main. Tobacco and hops are largely grown, and wheat is the principal cereal. Through the gap to the south of the Vosges comes the canal which connects the Rhine with the Rhine through Strassburg. The principal cotton town is *Mühlhausen* (95,041), in the south, with more spindles than any other German town. To the north-west, at the foot of the Vosges, is *Gebweiler* (12,994), another cotton town. *Kolmar* is also engaged in the same industry. That part of Alsace, of which Strassburg (498,913) is the principal city, was restored to France by the Treaty of Versailles. *Frankfort-on-the-Main* (414,598) was, until the rise of Berlin, the commercial and banking centre of Germany. It is still of great importance, and since the deepening of its river has become a busy port. *Weisbaden* (109,133), across the Rhine from Mayence, has mineral springs and exists largely to cater for visitors.

Mannheim (193,379) at the mouth of the Neckar, is at the head of the ocean navigation of the Rhine, ships of 750 tons not being able to proceed any higher. *Heidelberg* (56,010), higher up the Neckar, at the foot of the Odenwald, has given place to Mannheim in importance. *Ludwigshafen*, opposite Mannheim, a town of recent and increasing growth, is a distributing centre for coal, iron, and timber carried on the Rhine. *Darmstadt* (87,085) at the northern foot of the Odenwald, is the capital of Hesse. *Karlsruhe* (134,161) is the capital of Baden.

BAVARIA AND THE SOUTH-EAST. Bavaria is an upland country, with the lower slopes of the Alps in the south, the Bohemian Mountains on the east, and the Franconian Jura running through the northern half and forming the watershed between the Rhine and Danube. In the south the principal occupations are forestry and cattle-raising; rye and oats are the chief grains. In the north, where wheat is the chief grain, large quantities of hops are grown, the province of Middle Franconia being one of the great hop-growing regions of the world. Württemberg is similar in build, and is crossed by the Swabian Jura; while that part of Baden not included in the Rhine Plain is made up chiefly of the Black Forest Range. The larger towns of the region are nearly all old and historic, for, lying in the centre of Europe, partly in the basin of the Danube, and partly in that of the Rhine, many routes passed through it in all directions. *Nuremberg* (*Nürnberg*, 332,651), *Regensburg* (*Regensberg*, 52,540), *Augsburg* (102,293), and *Munich* (*München*, 595,053), in Bavaria, with *Ulm* (55,817) and *Stuttgart* (285,589), in Württemberg, were at the crossings of the more important routes, and flourished on the trade that passed through them. Now, with the introduction of railways, although traffic still passes through them, Munich is the only one which actually handles the goods to a considerable extent on account of its central position and its nearness to the Brenner, the lowest of the Alpine Passes, and is, in consequence, rapidly increasing in importance.

Munich, the capital of the kingdom, on the Isar, owes its importance to its position on an international route and to the manufacture of beer, which it produces in greater quantities than any other town in the world. It is also the leading town in Germany for the manufacture of scientific instruments. Through it passes the line from Berlin, through the Brenner Pass in the Tyrol, the lowest of the Alpine Passes, to Italy.

Stuttgart, on the route from Paris to Vienna and Constantinople, has manufactures of hosiery and chemicals.

As already stated, Germany has been compelled to give up the whole of the foreign possessions which she held before the war.

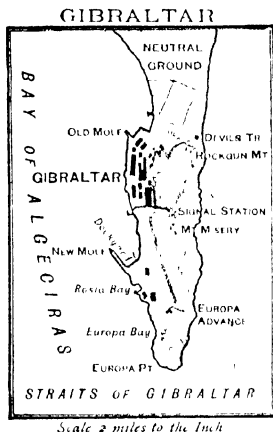
Productions. From these islands, with the exception of the Marshall Islands, the principal exports are copra and other palm products, together with rubber, sandal wood, ebony, and other woods. The chief product of the Marshall Islands is phosphate.

GHEE or GHI.—Clarified butter made from the milk of the buffalo. Curdled milk and salt are frequently added to the butter before it is packed in jars. Ghee is not appreciated by Europeans; but large quantities are consumed in India, where it is used for culinary, ceremonial, and medicinal purposes.

GHERKINS.—(See CUCUMBER.)

GIBALTAR.—Gibraltar, the only British possession on the mainland of Europe, comprises a small peninsula in the south of Spain, just within the entrance to the Mediterranean, 36° N. latitude and 5° W. longitude. It is 3 miles long and a quarter of a mile broad, and has an area of 1½ square miles. The civil population, mostly descendants of Genoese settlers, is about 19,000. The military population is between 5,000 and 6,000. The distance across the bay on the west to the Spanish town of Algeciras is under 5 miles. The distance across the Strait to the nearest point of Africa is 13 miles, or rather more, if measured to the Spanish fort of Ceuta.

The northern half of the colony is flat. In the south the "Rock" rises rapidly to a height of 1,439 ft. its steep southern face terminating in Europa Point. On the western side is the harbour of 450 acres, with 260 acres of deep water for the accommodation of the Atlantic Fleet, of which Gibraltar is the headquarters. There are also large dockyards for repairs.



Gibraltar came into the possession of Britain in 1704, and has been retained ever since. It is administered as a Crown Colony, the governor having control of all affairs, both civil and military. The activities of the whole population are directed towards the maintenance of the military and naval works, and there are no industries.

Mails are despatched daily via France. The time of transit is about three and a half days.

GIFT INTER VIVOS.—The transfer of ownership in an article, the property being handed over by one person to another under such circumstances that there is a clear intention of the giver to divest himself of all rights in the same. By English law a gift is irrevocable, i.e., when once a complete transfer has been made the giver cannot demand back the article which he has given. But a gift may be impugned if it is made in fraud of creditors, as, for example, by a person who is on the eve of bankruptcy. Such a gift amounts to a fraud and is void. Again, the gift must be of something tangible, not of a *chose in action*. Thus, a gift of a cheque, unless the donee cashes it at once or transfers it for value, is of no legal effect. The

donee of a cheque, when there is no consideration at all for its transfer, cannot sue the donor upon it.

GILDS or GUILDS.—A guild is an ancient institution, and means a society or brotherhood established for religious, commercial, or feasting purposes, or a combination of all of these. At the time when guilds were first established, the power of the Church was sufficient to make a brotherhood feel that it would be injurious to carry on the confraternity without the blessing of God, the sanction of the Church, and some outward religious form or ceremony. The earliest form of guild in this country was, probably, of a religious nature, it was an early form of sick benefit society ennobled by Christian ceremony and Christian practice. The members met at stated times, they chose a saint as their patron, they paid an annual subscription, they assisted the poor, they assisted their brother guildsmen in distress, they had occasional feasts in common, and some common meeting-place. In this early form the guild in England was distinctly beneficial, and was part of that lifting machinery by which the doctrine of the greatest good to the greatest number was slowly and surely perfected.

Guilds were not peculiar to England, but traces of them are to be found in many parts of Europe. As internal and external trade increased, the guild spirit began to spread amongst merchants, not only in England, but on the Continent as well. The influence of religion was still paramount in the formation of the brotherhood of merchants, or of traders formed of members of a particular trade. It was natural that merchant guilds could only be successful in cities and towns. The fellowship, when formed, sought to regulate the buying and selling of its peculiar commodity, to keep up the quality of the workmanship, to keep up the price, and to keep competitors out at arms' length, or to admit them to the brotherhood on the payment of a fine. These merchant guilds often obtained from the king some special privilege or monopoly.

The members of the merchant guilds in the various cities and towns were men of some substance, and it would naturally fall to the lot of some of them to assist in the management of the local government of their town, so that there might often be a close connection between the guild merchant and the town management. The same shrewd traders who looked well after their own business interests might be expected to look after the best interests of their town.

The best illustration of what was the guild merchant in the Middle Ages is to be found in the mere recital of the names of the guilds within the City of London. The chief town hall of the City of London is called the Guildhall, a term often used of the town halls of other cities and towns. It is suggestive of the fact of that ancient meeting-place of some brotherhood in the dim past, when the guild of merchants met in the hall of their guild or confraternity.

The London City Livery Companies represent all the chief trades at present carried on, and some that are out of use. The Armourers are not now required to make helmets, breast-plates, swords, and shields, but in the days of the Plantagenets they were important craftsmen. The Bowyers are not wanted now, but their bows were wanted at Crécy and Agincourt. The Bowyers' Company could not do without the Fletchers' Company, for the Fletchers made the arrows to fit the bows. The twelve great companies, which take precedence

because of their wealth, may be summarised thus: The Mercers—this guild or brotherhood was established for regulating the buying and selling of such goods as would now be sold by a general draper; the Grocers, the Fishmongers, the Goldsmiths, the Skinners, the Merchant Taylors, and others convey by their titles exactly what sort of a brotherhood they were. On the other hand, the term Drapers' Company is ambiguous to modern people. The original members of the guild of drapers were buyers and sellers of cloth, and had little in common with a modern draper. The Haberdashers were a guild of traders who dealt in small wares, such as buttons, tapes, threads, laces for boots, clothes, and stays; the Salters, Ironmongers, Vintners, and Cloth-workers convey their history by their titles.

Very few of these ancient confraternities now perform the valuable trade duties for which they were established, but they are still conspicuous for charity and for feasting; prayer and fasting have fallen into desuetude, and in many of the guilds there is not a single member of the trade to which the guild owes its foundation. The Fishmongers' Company is a very wealthy one; there is probably not one Billingsgate fishmonger on it. Yet at the time when the guild of fishmongers was exercising its proper duty, it supervised the fish supply, regulated the price, and the craft generally.

The great Company of Goldsmiths still performs one of its most important ancient duties; it assays and proves the gold coinage of the realm, and it puts its hallmark on gold and silver plate (See *PXX*).

As far as the City guilds are concerned, they have always been closely allied to the municipal government of the City, for it is the members of these various City companies who have special rights in the election of the City aldermen and other councillors.

It is easy to step from the guild of masters to a guild of workmen. As the wants of mankind grew more and more insistent, the skilled workmen who ministered to such wants began to form themselves into brotherhoods or craft guilds, with the usual mediæval basis of religious observances, feasting, trade protection, careful apprenticeship, and assistance to their members. The guild of the master and the guild of the man were not always in accord. There were faults on both sides; the guild of masters was arrogant, over-reaching, and tyrannous, and conflicts arose between the parties from time to time. For good or for evil, the ancient guild has passed away for practical purposes, and there has come in place of it federations of masters, and trades unions amongst the workers. Prayer and fasting have entirely disappeared from the modern confraternities, excepting in the case of those guilds which are the offspring of Church discipline, such, for instance, as the guild of St. Luke, which is a brotherhood of medical men, whose object is religion, charity, and the exercise of their medical skill to the glory of God and the benefit of mankind.

GILL.—This is an English measure of capacity. (See *WEIGHTS AND MEASURES*.) It consists of the thirty-second part of a gallon, or the fourth part of a pint. Compared with the metric system, a gill is nearly equal to 142 centilitres.

GILT-EDGED BILL.—This is the name generally given to a bill of exchange which is drawn, accepted, and indorsed by persons of the highest credit. There is absolute confidence that such a bill will be duly met when it becomes due.

GILT-EDGED SECURITIES.—Securities of the highest order, which are considered to be absolutely safe and assured. All those securities in which trustees are allowed to invest are often designated by this name. (See *TRUSTEE INVESTMENTS*.)

GIN.—A spirit distilled from malt or other grain and flavoured with juniper berries. It is sometimes known as Geneva, from confusion between the town of that name and the French word *genèvre* (juniper). Pure gin is valuable medicinally on account of the essential oil of juniper it contains. The percentage of alcohol varies from 40 to 52. Large quantities of this spirit are manufactured in the United Kingdom, and the British product has a very delicate flavour, thus disproving the accusations of adulteration by means of turpentine, potato spirit, sulphuric acid, and common salt. *Old Tom* is a sweetened variety. Dutch gin is particularly noted. It is prepared from a mixture of barley, malt, and rye, the principal town engaged in the manufacture being Schiedam, which gives its name to one variety, also known as Schnapps and Hollands. Gin or schnapps is also prepared at Aalborg, in Denmark. The principal customers of the Dutch are Great Britain and the United States.

GINGER.—The spice obtained from the root of the *Zingiber officinale*, a tropical plant growing in the East and West Indies and in Africa. The two varieties, black and white, are obtained from the same roots by different methods of treatment. Ginger contains starch and gum, but its main constituent is a volatile aromatic oil, which makes it useful as a condiment in cookery and as a stomachic in medicine. Ginger is the characteristic ingredient of gingerbread and of various refreshing drinks, such as ginger ale, ginger beer, and ginger wine. The variety obtained from Jamaica is acknowledged as the best. Preserved ginger is largely imported from the East Indies and China, but that sent from the latter country is usually prepared from galangal or galingale (*qv*).

GINGHAM.—A cotton dress fabric, usually checked or striped. Its colours are produced by dyeing the yarn of which it is woven. There are many similar materials of different names. Manchester and Glasgow are the centres of manufacture.

GINSENG.—The *Panax Ginseng* or *Aralia quinquefolia*, the root of which is much esteemed in India, China, and Japan as a powerful tonic and stimulant. The root is first dried over a charcoal fire and then steamed. The United States, of which the plant is a native, export considerable quantities of ginseng to China; but the most active trade is done between the latter country and Korea.

GIRASOL.—A species of opal, bluish-white in colour, but noted for its beautiful reflections of red and yellow, to which it owes its name of fire opal. There are many imitation stones made of glass, with an admixture of oxide of tin. The genuine stone is found chiefly in crystalline igneous rocks, and the best varieties come from Mexico and Brazil, but Hungary and Siberia also yield good specimens.

GIRDERS.—Beams made of timber, iron, or steel, supported at both ends, and used for bearing loads placed between the points of support. They are employed for floors and roofs, but are mainly valuable in the construction of bridges, for which purpose they are usually made of wrought iron. The progress made by Belgium in the manufacture of girders has greatly affected the British industry.

GIVERS ON.—In the language of the Stock

Exchange, the person who is known as a "giver on" is a broker who lends stock to another broker when the latter requires it for delivery, and gives interest for the money lent to him on the stock. (See **TAKERS IN**.)

GLASS.—A combination by means of fusion of certain siliceous and alkaline substances. Sand usually provides the basis of silica, and alkaline earths or oxide of lead are fused with it in proportions varying according to the purpose for which the resultant substance is required. The commonest bottle glass is made of soda, silica, and lime, with an addition of marl, clay, and baryta, but coarse, black bottles can be produced more cheaply still by the use of basaltic rock, either alone or mixed with wood ash. Crown, sheet, and plate glass consist of soda, silica, and lime; in Bohemian glass, potash takes the place of soda; and flint glass contains potash, silica, oxide of lead, and an admixture of nitre. Great care must be taken to have the ingredients free from iron, as this imparts a green colour, which can, however, be neutralised by the addition of oxide of manganese. In the production of coloured glass, various metallic oxides are employed. Many processes are involved in the manufacture of glass. The materials are first mixed and then fused in special pots and furnaces. Pouring or blowing, according to the article required, is the next step, and this is followed by annealing, after which the glass is ready for grinding, cutting, and polishing. France and Belgium supply the best sand for glass-making, which is an important industry in England, with its chief centre at St. Helen's, in Lancashire. There were also, before the war, large imports of glass from Bohemia, Venice, and Jena, the last-named town having become famous towards the end of the nineteenth century and in the early years of the twentieth century, for its optical lenses and other glasses for scientific purposes.

GLAUBER'S SALT.—Sulphate of soda occurring in transparent crystals, which rapidly dissolve and effervesce in water, but are resolved into a white powder on exposure to the air. The salt has valuable medicinal properties, being used as a cathartic, and it is an important constituent of many natural mineral waters, e.g., those of Carlsbad, Cheltenham, and Hunyadi Janos. It is prepared from common salt and sulphuric acid, and is used in the manufacture of carbonate of soda. Carbonate of lime is one of the ingredients when the mixture is required for medicinal use. Its chemical symbol is $\text{Na}_2\text{SO}_4 + 10\text{H}_2\text{O}$.

GLEBE.—This word is most probably derived from the Latin *gleba*, which means "a clod," and it is applied to the land which is attached to a church for the support of the minister officiating at it. In olden times no church could be consecrated unless proper provision was made for endowing it with land, and consequently every ancient church has its glebe. The land was held quite free of all temporal services. The freehold in the glebe is vested in the incumbent, but his position is that of tenant for life (*q.v.*). The incumbent cannot, except as permitted by statute (*infra*), alienate the land, and he is liable for what is known as "waste," i.e., such misuse of the land as causes it to deteriorate in value. So long as he keeps the glebe land in his own possession and occupation, the incumbent may cultivate it in any manner he pleases, and he may cut timber for all necessary repairs. But he cannot cut timber for sale, nor can he open new mines upon

the land without the consent of the patron of the living and the bishop of the diocese, when the royalties (*q.v.*) derived from the mines are to be put aside for the benefit of the living generally and not for the personal use of the existing incumbent. The restriction as to the sale of the glebe, noticed above, was removed by the Glebe Lands Act, 1888, but no sale can take place unless notice is given to the patron of the living and the bishop of the diocese, and the sale is approved by the Land Commissioners, now the Board of Agriculture. The purchase money derived from the sale is invested in the name of the Ecclesiastical Commissioners, and the income arising therefrom is applied for the benefit of the living generally. By an Act passed in 1842, provision was made for the leasing of glebe lands for farming purposes, but no lease can be granted which exceeds fourteen years in duration, unless it is an improving lease, when the period may be extended to twenty years. There are many other restrictions to be noticed in connection with the granting of such leases, but these are of too special a character to be noticed here.

GLOVES.—The most important gloves are those made from the skins of deer, sheep, lambs, goats, and kids, but the latter are seldom used, the so-called "kid" gloves being usually made of sheepskin. Glacé and suede gloves differ only in the method of preparing the skin, the former being obtained by dressing the outer side, while "suede" is the result of dressing the inner side. Military gloves, for which Vendôme is noted, are made of chamois leather, and the Cape sheep supplies the unrivalled English dog-skin glove. The best kid gloves are made at Grenoble and at Paris, but a very good quality is now obtained from Brussels, which does a large export trade, as does also Copenhagen. In England, leather gloves are chiefly manufactured at Worcester, Yeovil, Ludlow, and London. Woven and knitted gloves are made of cotton, silk, or wool. They are manufactured at Derby, Nottingham, and Leicester, but large quantities used to be imported, before the war, from Saxony and Berlin.

GLUCOSE.—The commercial name for dextrose or grape-sugar, which occurs in ripe fruits, honey, etc., but is generally obtained in the form of sugar syrup from maize, potatoes, or other starchy substance by the action of sulphuric acid. It is used by confectioners and brewers. Germany, France, and the United States are the chief sources of supply.

GLUE.—An adhesive substance obtained from three principal sources, viz., hides, bones, and fish skins. The first-named variety is the best, and is prepared from the refuse of tan yards, which is first treated with quicklime and water, then exposed to the air and dried, and afterwards boiled till it forms a jelly. The drying process requires the greatest care, as the glue is apt to decompose. Light-coloured glues are obtained chiefly from sheepskins. The best glue in the world is manufactured in Scotland. Glue made from decalcified bones is weak. It comes mainly from France and Germany, and forms one of the by-products of bone charcoal. Fish glue is liquid, and is an excellent adhesive.

Marine glue is a substitute for the gelatinous substance suitable for use in ship construction. It consists of a mixture of indiarubber, powdered shellac, and naphtha, and is used as a cement by shipbuilders, not being affected, as ordinary glue would be, by the action of water.

GLUT.—Whenever the supply of any goods in a market is greatly in excess of the demand for the same, there is said to be a glut.

GLYCERINE.—A colourless, sweet, viscid liquid belonging to the series of alcohols, and discovered towards the end of the eighteenth century. It exists in combination with fatty acids in animal and vegetable fats, and in certain fixed oils. Glycerine is easily prepared by heating fats in a current of super-heated steam, and is obtained as a by-product in the manufacture of soap and candles. Purification is necessary, however, before it is ready for use. Glycerine is employed for a variety of purposes. Medicinally it is used as an emollient, as a substitute for cod liver oil, and as an injection in cases of constipation. It has also antiseptic and preservative properties, which render it useful in the preparation of leather and in the preservation of beer. It is employed in the manufacture of soaps and scents, and as a solvent for many substances; and, finally, it is the source of the violent explosive, nitro-glycerine.

GOATS.—These animals are found in the mountainous districts of Europe, Asia, and North Africa. They are reared on account of their milk, flesh, skin, and hair. The skins are tanned and employed in the manufacture of gloves and of fine kinds of leather much prized for bookbinding. They are imported by Great Britain mainly from North Africa and India, the Angora and Kashmir goats yielding long, silky hair in addition to a woolly coat, which renders them doubly valuable.

GODOWN.—A warehouse in the East, where imported goods are stored until they are required for use.

GOING CONCERN.—This is a name very frequently applied to a business which is in full working order. It is obvious that the value of a business which is being carried on is much in excess of a similar business which has come to a temporary standstill. Whenever, therefore, a transfer is desired, it is the object of the vendors of the business to have everything in the best condition.

GOLD.—One of the most precious metals, and the heaviest, except for platinum and iridium, its specific gravity being 19.3. It is more malleable and ductile than any other metal, and so soft, that gold leaf of $\frac{1}{100,000}$ of an inch in thickness may be prepared from it, while 15 grains will provide 2,000 yards of the finest wire. The extreme softness renders an alloy of copper or silver necessary for working purposes. Thus 2 parts of copper are mixed with 22 parts of gold to produce British gold coins; while jewellery may be of 9, 15, or 18 carats, with alloys of 15, 9, and 6 respectively. Gold is soluble in aqua regia, a combination of nitric and hydrochloric acids. It is quite unaffected by the atmosphere, is an excellent conductor of heat and electricity, and melts only at 1,067° C. Its most important compound is chloride of gold, obtained by dissolving gold in aqua regia, and used for toning photographs. Gold is found either in alluvial deposits or interspersed through quartz. In the former case, it occurs in the form of grains or nuggets mixed with clay, gravel, or sand, which are removed by running water. Alluvial deposits occur in the Ural Mountains, Siberia, California, Australia, and in the valley of the Yukon, in Alaska. Rock deposits are, however, now more important, and these are found in the Urals, India, Australia, the United States, and principally in South Africa, the three last-named countries being

now the source of the world's supply. The rock, being very hard, is mined, and then crushed by machinery; and the gold is treated with mercury or fused with lead to separate it from the various metallic sulphides, oxides, etc., with which it is mixed. Gold is imported in the form of ore, bullion, or coin, and is much used for jewellery, plate, and ornaments, which are highly prized. Owing to a variety of causes the value of gold advanced very considerably in 1919 and 1920.

GOLD AND SILVER.—Articles which are manufactured of gold or silver are required to be stamped with some distinguishing sign or mark, in order to certify that they are of the nature and quality represented. For this purpose they must be taken to the local Assay Office where they are distinguished as follows, if everything is in order:—

(a) The Hall Mark. This is for Birmingham, an anchor, for Chester, three wheat sheaves, or a dagger, for Dublin, a harp, or the figure of Hibernia; for Edinburgh, a thistle, or a castle and lion; for Exeter, a castle with two wings; for Glasgow, a tree and a salmon with a ring in its mouth; for London, a leopard's head, for Newcastle-on-Tyne, three castles; for Sheffield, a crown; for York, five lions and a cross.

(b) The Standard Mark. This shows the fineness, and is represented for England by a lion passant; for Edinburgh, by a thistle; for Glasgow, a lion rampant; for Ireland, a harp crowned. The gold must be of 22 carats, and silver of 11 ozs. 2 dwts. fine. In gold of 18 carats fine, a crown and the figures 18 are used.

(c) The Duty Mark. The head of the sovereign, showing that the duty has been paid.

(d) The Date Mark. A letter of the alphabet in a shield, the letter itself being periodically changed.

GOLD-BEATER'S SKIN.—A skin prepared from the outer coating of the blind-gut of the ox, and valuable in gold-beating on account of its extreme thinness and toughness. It is also used in dressing slight wounds. The membrane is first dipped in a solution of potash, then scraped, beaten, soaked in water, and stretched. After further treatment with alum water, isinglass, and albumen, the skin is cut into squares, which are placed between the leaves of beaten gold.

GOLD BONDS.—These are bonds which are issued in America by the railroad companies, and are repayable in "gold coin of the United States of the present standard of weight and fineness." If the bonds are repayable in any other country than the United States, payment must be made in gold according to the fixed rate of exchange. The interest on the bonds is also payable in gold.

GOLD CERTIFICATES.—These are certificates which are issued by the Treasury of the United States as a part of the paper currency of that country. Gold is held against them and they are payable in gold. These certificates are issued for different amounts, varying from \$20 to \$10,000.

GOLD COAST, THE.—The Gold Coast lies to the north of the Gulf of Guinea, its southern extremity being within 5° of the Equator. The whole possession, which comprises the Gold Coast Colony, Ashanti, and the protected area to the north, has an area of 82,000 square miles, and a population of 1,500,000, of whom less than 1,000 are Europeans.

The river Volta, which divides the country into two, forms the north-western and the south-eastern boundaries, and is navigable for small boats for about 60 miles. The country is generally

low-lying, except for a range of hills under 2,000 ft. The western coast is very rainy, but in Ashanti and the interior generally it is drier. Blackwater fever and dysentery make the climate very unhealthy for Europeans.

There are dense forests in the west of mahogany, cedar, and rubber. Rubber, palm oil, and gold are the chief exports. The gold is carried down by the western rivers, but mining in the gold-bearing rocks at their sources is impossible on account of the climate.

A Government railway, 168 miles long, joins *Sekondi* with *Kumasi*. Otherwise, communications are bad, the rivers being navigable only by native craft, while even the native paths on land are frequently blocked by vegetation.

The coast and Ashanti, which came under British control in 1896, and were annexed in 1901, are under direct British rule, and are administered as a Crown Colony. The other parts are visited by a travelling Commissioner.

Accra (20,000), on the coast, is the chief town. Other towns are *Elmina* (5,000), *Cape Coast Castle* (12,000), *Keta*, *Salapond*, *Winneba*, *Anum*, and *Akuse*. The centre of the protected area beyond Ashanti is *Salaga*.

Mails are despatched every Friday, the time of transit to Accra being sixteen days.

For map, see AFRICA.

GOLD COINS.—Gold was first coined in England about 1257.

The denominations of English gold coins, as set forth in the Coinage Act, are Five pounds, two pounds, sovereign, half-sovereign. The coins contain pure gold eleven-twelfths, copper alloy one-twelfth.

Gold coins are a legal tender to any amount so long as they do not fall below the least current weight as given in the Coinage Act.

The light yellow appearance of many Australian sovereigns is due to the alloy being in part of silver. (See BASE COINS, COINAGE.)

GOLD LEAF.—The name applied to gold when hammered out into leaves about $3\frac{1}{4}$ in. square and $\frac{3}{32}$ of an inch in thickness. The best gold leaf is made from 23 carat gold, but there are ten varieties according to the quantity and nature of the alloy, which may be either silver or copper. The following is the process adopted: The fused gold is cast into ingots and rolled until it is not more than $\frac{3}{32}$ of an inch in thickness. It is then cut into pieces an inch square, which are placed between alternate pieces of vellum 4 in. square, and beaten until the gold has spread to the size of the vellum. The gold leaves are then divided into four, placed between gold-beater's skin and again hammered, the process being repeated until the dimensions mentioned above are attained. Gold leaf is used for gilding. It is prepared in London and in many other large towns of Great Britain, Belgium, France, and Germany now export large quantities of gold leaf, but the British product remains by far the best.

GOLD PLATE.—(See PLATE.)

GOLD POINTS.—(See SPECIE POINTS.)

GOLD RESERVES.—Owing to the methods upon which the whole structure of modern commerce is based, the importance of having an adequate reserve of gold cannot be over-estimated, and the question of this reserve has been keenly discussed on many occasions. The subject was taken in hand in a practical manner by the London Chamber

of Commerce in 1908, when the Council of that body appointed a Gold Reserves Committee "to consider whether the gold reserves of the country are sufficient, and, if not, what remedies can be suggested." The committee consisted of twenty-five representative men of the banking and commercial fraternities, and after deliberations which lasted over the greater part of a year, a report was published in July, 1909. The committee was nearly unanimous in its findings, five of the members alone assenting to the decisions with some reservations. This report of the committee will always be looked upon as a historic document, and it is important, therefore, that its principal clauses should be reproduced. They are as follows:—

"4 Your Committee has taken no evidence, but having debated the many and weighty proposals brought before it by its own members, has passed the following resolutions:

"(1) That the Committee recognises the desirability of strengthening the gold reserves of this country.

"(2) That the issues of the Bank of England against Government debt and securities, commonly called the fiduciary issue, form an undue proportion of the whole, and should be reduced.

"(3) That a reasonable reserve in gold should be held against the deposits in the Trustee and Post Office Savings Banks.

"(4) That the Bullion Department of the Bank of England affords a means by its enlargement for the aggregation of gold reserves held by others than the Government of India, viz.:—

"(a) The banks of the United Kingdom, including the Bank of England, in respect of such gold held against their liabilities in excess of full money as any of them may elect to deposit in the Bullion Department.

"(b) Scotch and Irish banks in respect of all or any portion of the extra gold held by them against excess issues under the Act of 1845.

"(c) The National Debt Commissioners and the Postmaster-General in respect of the gold which the Committee recommends should be held against the liabilities of the Trustee Savings Banks and Post Office Savings Banks respectively.

"(5) That all persons or companies carrying on the business of banking within the United Kingdom should once in every calendar month, in case their liabilities on current and deposit accounts exceed in all the sum of ten million pounds sterling, and once in every three months, in all other cases, make a statement of their position showing the average amounts of liabilities and assets on the basis of weekly balance sheets for the preceding month, of three preceding months, respectively, stating the following amounts separately:—

"(a) Liabilities on current, deposit, and other accounts.

"(b) Liabilities on notes in circulation.

"(c) Liabilities on bills accepted.

"(d) Gold and other coin and gold bullion held.

"(e) Bank of England notes held, and balance due by the Bank of England.

"(f) Balance due by clearing agents.

"And that a copy of the statement should be put up in a conspicuous place in every office, or place where the business of the persons or company is carried on.

"(6) That it is desirable that the Bank of England should make an annual return showing the aggregate bankers' balances for each week of the preceding year.

"5 In arriving at the conclusion that it is desirable to strengthen the gold reserves of the country, your Committee were influenced by the fact that the growth of aggregate liabilities, external and internal, has not been accompanied by a proportional increase of gold held by banks in the United Kingdom.

"6. Your Committee is also of opinion that, were larger reserves of gold in existence, a modifying influence as regards fluctuations of the official rate of discount, which are more frequent in this country than elsewhere, would probably be the result.

"7 The resolutions arrived at by your Committee resolve themselves into two main classes, viz., those *directly*, and those *indirectly*, affecting the gold reserves, the two not being altogether incompatible.

"8 The *direct* scheme for a central reserve has in view a fund of gold lodged for safe custody at the Bank of England, each owner retaining absolute and independent possession and control; the aggregate amount only to be made public.

"9. The *indirect* scheme has in view publication of the cash assets of every bank, divided into constituent parts. This would disclose the individual holding of gold of each bank.

"10. The resolutions arrived at show that your Committee considers that all concerned should bear their part in the cost involved in an increase in gold reserves, and specify—

"(a) The Government,

"(b) The Bank of England,

"(c) The banks of the United Kingdom.

"11 In conclusion, your Committee begs to report its unanimous conviction that the time has arrived when the bankers themselves should come to an agreement on this important matter, and adopt measures to conserve and increase the gold held in the country, if it is wished to avoid legislative measures."

The report is exceedingly interesting and instructive, particularly in the light of the experience of the last few years.

GOLD STANDARD, RESTORATION OF THE.—

By the GOLD STANDARD is meant the estimating of prices in definite weights of gold. Gold is the sole measure; whatever passes current in the buying and selling of goods is either an accurately determined weight of gold or something that may be at will, without difficulty and delay, exchanged for that accurately determined weight. It is necessary to insist upon this definition since our whole currency system is based upon the principle that, to avoid confusion and debate, the prices of all commodities are the weight of gold for which those commodities will exchange. Notes are at absolute parity with gold coins of equivalent face value; and both notes and gold are at absolute parity with gold bullion.

Until the dislocation caused by the War we had an effective gold standard. That is to say, the currency in circulation and in bank reserves consisted entirely of gold and subsidiary coin—silver and bronze, legal tender only in small transactions—or of notes representing gold. The fiduciary issue of the Bank of England, about 10 per cent. of the total amount of legal tender money, can be regarded

as in the latter category; since not the slightest doubt existed regarding transfer at will into gold. Gold was freely coined by the Mint without charge. There were no restrictions upon the import of gold; there were no obstacles to its export. We had an absolutely free market for gold; and under it London had become the world's clearing house. Sovereigns were freely given by the Bank in exchange for notes at par value. The legal tender currency could be increased *only* by addition of gold to the currency (1) by importation, the normal way, or (2) by abstraction from the arts, rarely practised. The added gold was either presented to the Mint for coinage, or as bullion formed the basis of an increase in the note issue of the Bank of England. The legal tender currency could be decreased *only* by withdrawal of gold (1) for export as bullion or sovereigns, (2) for use in the arts. If exchanges were in our favour, gold flowed to the country. If the balance of trade was against us and exchanges therefore adverse, it became profitable to export gold. The exporter obtained gold from the Bank, paying for it by a cheque on his account. The Bank obtained the gold from the Issue Department, in exchange for notes out of its banking reserve. Its liabilities to depositors and its reserve fell, therefore, by exactly the same amount. That is, the ratio of reserve to liabilities fell. If the fall was rapid the Bank raised its discount rate. This was the remedy relied upon to restore an adverse balance, and long experience had shown it to be an effective remedy. Raising the rate kept money here that would otherwise have been remitted abroad, and attracted remittances from abroad to take advantage of the higher rate.

How far our gold standard has broken down through War conditions—how far legal tender currency is depreciated in terms of bullion—is perhaps impossible to measure. That it has done so to some extent is certain. The crisis that arose at the outbreak of war made it necessary for the Government to take steps to suspend the Bank Charter Act and with it our rigid currency system. (In point of fact the Bank Charter Act was not suspended.) The Treasury, moreover, was empowered to issue currency notes of one pound and ten shillings as legal tender throughout the United Kingdom. Government did not, indeed, as happened elsewhere, flood us with paper. The printing presses in Russia, Austria, and Germany, have been working to provide the "money" that taxes or loans failed to provide; and nominal wages and nominal prices have risen to grotesque heights. The Governments have come into the market with their paper and bought the commodities they needed, thus levying a forced loan on the community. Here, too, there was not enough increased production and self-denial, so that the Government, creating for itself purchasing power, imposed involuntary self-denial upon the public through rise of prices. The currency notes, at first merely replacing sovereigns, are at the time of writing, in an excess that months after the Armistice, is alarming. (See FIDUCIARY CURRENCY AFTER THE WAR.) Free dealings with gold were suspended, as well by obstacles due to the War (the submarine danger being the greatest), as by the legal prohibition of the melting of gold coin; and importation of gold was reserved to the Bank of England.

One essential preliminary to the Restoration of the Gold Standard is the cessation of borrowing by

the Government and the redemption, from the proceeds of taxes or of levies, of the enormous amount of Government securities now held by the banks. For the credit expansion and the excessive issue of paper are due to the fact that the actual expenditure of Government has been greater than the amounts it could raise by taxation or by loans from the real savings of the people. Until the Government begins to reduce its indebtedness, stability in our monetary system, and the consequent confidence in it, upon which so much depends, is out of the question. The legal and rigid limitation of note issue must be resumed. (This is discussed in the articles *FIDUCIARY CURRENCY AFTER THE WAR* and *CURRENCY SYSTEM AFTER THE WAR*.) The machinery for the control of this note issue, the definite separation of the Issue and Banking Departments of the Bank of England, must again become operative; and in order that it may be so the Treasury notes must be withdrawn and replaced, for internal circulation, by Bank of England notes of low denominations. Any variation in currency must be allowed, that is, to affect the reserve of the Banking Department. This would permit the recognised machinery for checking a foreign drain of gold and the speculative expansion of credit in the country to be kept in working order; the machinery, that is, of raising and making effective the Bank of England discount rate.

GOOD FAITH.—By the Bills of Exchange Act, 1882, and by the Sale of Goods Act, 1893, it is enacted "A thing is deemed to be done in good faith . . . where it is in fact done honestly, whether it is done negligently or not." In connection with negotiable instruments, Lord Herschell said in a case tried in 1892, "If there is anything which excites the suspicion that there is something wrong in the transaction, the taker of the instrument is not acting in good faith if he shuts his eyes to the facts presented to him, and puts the suspicions aside without further inquiry." (See *BONA FIDE*.)

GOOD MERCHANTABLE QUALITY AND CONDITION.—This is a phrase frequently met with in written contracts. It signifies that the goods that are stipulated for shall be up to the ordinary standard of quality, and in their customary sound state.

GOODS BY RAIL, FORWARDING.—(See *RAILWAY, CONSIGNMENT OF GOODS BY*.)

GOODWILL.—This term, though very frequently used and quite well understood, does not appear to be capable of a satisfactory and exact definition, or, at any rate, none has yet been put forward. In one sense, it means every practical advantage which has been acquired by an established business firm in carrying on its trade under a particular name and style, or, to put it in the language of a famous judge, "the probability that the old customers will resort to the old place."

Two legal writers of eminence have thus referred to the subject. One of them (Lord Lindley) has said: "The term *goodwill* can hardly be said to have any precise signification. It is generally used to denote the benefit arising from connection and reputation, and its value is what can be got for the chance of being able to keep that connection and improve it. Upon the sale of an established business its goodwill has a marketable value, whether the business is that of a professional man or of any other person. But it is plain that goodwill has no

meaning except in connection with a continuing business; and the value of the goodwill of any business to a purchaser depends, in some cases entirely, and in all very much, on the absence of competition on the part of those by whom the business has been previously carried on." The other (a writer on Commercial Law) has summarised the various definitions thus:—"All that can be gathered from the various definitions is that where the locality of the business premises makes the trade, goodwill represents the advantage derived from the chance that customers will frequent the premises in which the business has been carried on; that where the business is one which depends upon the reputation of a firm, the goodwill consists of the advantage which the owner derives from being allowed to represent himself as such; that where the business is due to the individuality of the owner, and where its reputation cannot be separated from his, the goodwill is all but non-existent; and that where the value of the business depends upon the business connection, the goodwill consists of the right to be properly introduced to those connections."

The goodwill of a business is frequently one of its most valuable assets, and there is a legal right or interest in it, an incorporeal right, as it is called, which is most jealously guarded. On a conveyance or an agreement for the sale of the goodwill of a business, an *ad valorem* stamp duty is levied. What is the value of the goodwill of a business must depend entirely upon circumstances.

When a business is sold, the goodwill passes to the transferee, and it is most important that nothing should be done by the transferor to interfere with the conduct of the business. The common method adopted is for the transferor to enter into an agreement with the transferee not to compete with him in any similar business. If the agreement is not too wide to be enforced, according to the rules governing restraint of trade (*q.v.*), a transferor will be bound by the agreement. In the absence of any special agreement, the question as to what extent the transferor is bound not to enter into competition with the old firm has caused great trouble to the courts. After a series of varying decisions, the present state of the law may be thus summed up, as the result of the decision in the leading case of *Trego v. Hunt*, 1896, App. Cas. 7. That person alone who has acquired the goodwill of a business is entitled to represent himself as continuing or succeeding to the business of the transferor. When there is no special provision on the sale of the goodwill the transferor is at liberty to set up a rival business, but he is not entitled to canvass the customers of the old firm, and may be restrained by injunction from soliciting any person who was a customer of the old firm prior to the sale to continue to deal with the vendor, or not to deal with the purchaser. The transferor may also publicly advertise his business with similar limitations as to circularising the customers of the former firm. The same principles are applicable to the case where a person has been taken into partnership on the terms that on the expiration of the partnership the goodwill of the business shall belong solely to the other partner. The rule as to solicitation of old customers as laid down in *Trego v. Hunt*, applies to all old customers, even to those who had before solicitation become customers of the transferor of their own accord.

The rules to be derived from the various cases

Mr Cripps (an eminent authority on the subject) says: "When lands are taken under compulsory powers, the goodwill is not purchased by the promoters, but remains the property of the trader, and the loss suffered by him is the diminution in its value in consequence of his compulsory ejection from the premises he is occupying. So far from the goodwill being purchased or destroyed by the promoters, there are many cases in which the

diminution in its value is hardly appreciable, although the trade premises have compulsorily been taken. If a business is of a wholesale character, or is one which consists of orders from a widely extended area, a compulsory change of trade premises would be productive of small loss. If, in addition, convenient premises can be acquired in the immediate neighbourhood of the premises taken, the loss incurred through diminution in the value of goodwill becomes merely nominal, and the owner's only claim to compensation is in respect of any reasonable expenses which the taking of equally convenient new premises has rendered necessary. On the other hand, there are cases in which the diminution in the value of a goodwill may almost equal the entire value of a goodwill. This is the case where a business is retail and local, depending on neighbouring customers, and no suitable premises can be found in the locality within which the business connection extends. When premises are taken and business is carried on at a loss, the owner may be entitled to compensation on the ground that, but for compulsory powers, he would have been entitled to remain on the premises and to carry on his business."

The value of goodwill as shown in the books of a limited company should be the amount originally paid for same, subject to such amounts as have been written off. The creation of a value for goodwill in the books of a limited company other than the above would be irregular under ordinary circumstances, an instance in which it would be permissible being where the business and undertaking of the company is being sold at an enhanced price to another company. In this case it will be necessary to bring in any additional amount which is to be paid by the purchasing company in respect of goodwill. Goodwill, being an intangible asset, does not depreciate. (See DEPRECIATION.) On the other hand, the creation of a goodwill value is frequently made in partnership books. This is often necessitated by the retirement or admission of a partner, otherwise it is usually best to eliminate this figure, charging the amount to the debit of the partner's capital accounts in the proportions in which profits are shared, and crediting goodwill account.

To illustrate the creation and writing off of goodwill, let us assume that A and B are equal partners, whose capitals stand at £5,000 each. They decide to admit a third partner, C, who is to pay £500 to qualify him for a one-fifth share of the profits, and £2,000 as capital.

1st Method. A, B, and C can treat the matter of goodwill privately without affecting the books, C handing to A and B two cheques of £250 each.

2nd Method. The £500 paid by C can be brought into the firm's books, £250 being credited to A's capital account and £250 to B's capital account.

3rd Method. As C is paying £500 as a qualification for a one-fifth share of profits, the goodwill value is clearly £2,500; and this asset being the property of A and B until C has paid, the same should be debited to goodwill account and credited to A's and B's capital accounts in equal shares. When this is done, C's capital account should be credited with the whole amount of cash introduced by him, in respect of both goodwill and capital.

It should be observed that if the goodwill account is now written off, the proportions in which profits are shared being A $\frac{1}{5}$, B $\frac{1}{5}$, and C $\frac{3}{5}$

A's capital account will be debited with £1,000, B's " " " " " £1,000, and C's " " " " " £500.

Thus the net result of this method is the same as in (2).

GOOSEBERRY.—The berry of the prickly shrub, *Ribes Grossularia*, which grows abundantly throughout North and Central Europe, and in the United States, where its introduction began to be attended with success towards the end of the nineteenth century. The best English gooseberries are grown in Lancashire. The fruit is popular both in its fresh and in its preserved state, and is also used in the preparation of certain sorts of vinegar and of wine.

GOURD.—The name of various species of climbing plants of the order *Cucurbita*. The fruit is noted for its size and fleshiness. Some varieties, e.g., the vegetable marrow and the cucumber, are kept for human consumption, while others, e.g., the common pumpkin of Italy, are used as a cattle food. The bottle gourd has a hard outer rind, which is used as a drinking vessel, and the torped gourd yields a fibre sometimes employed as wadding for guns. The plant grows in many parts of Europe, Asia, and America, and many species are found in England.

GOVERNMENT NOTES.—The Treasury notes of the nominal value of £1 and 10s. respectively, which were first issued on the outbreak of the war with Germany in 1914, and which were made legal tender to any amount.

GOVERNMENT STOCK.—(See NATIONAL DEBT.)

GRAIN.—This is the smallest weight in the systems which are in use in England and America for denoting the weights of bodies. The origin of measures and weights in England is to be found in a grain of barley or wheat. The weight of 32 grains, well dried and taken from the middle of the ear, was called 1 pennyweight. The pennyweight was afterwards divided into 24 grains, and is now an artificial standard.

In a statute of Edward I it is enacted—

(a) "An English penny, now the largest coin in England, which is called a sterling, round and without clipping, shall weigh 32 grains of wheat, well dried, and gathered out of the middle of the ear."

(b) "And twenty of these pence, or twenty pennyweights, shall make an ounce."

(c) "And twelve of these ounces shall make a pound."

The grain is usually taken as the common unit in comparing the system of weight known as avoirdupois, containing 437.5 grains to an ounce, or 7,000 grains to the pound, with the apothecaries' and the troy ounce of 480 grains. The principal terms of the decimal system of weights may thus be expressed in grains—

	Grains.
1 Kilogramme	15432.3488
1 Gramme	15.432349
1 Centigramm	0.15432
1 Milligramme	0.01543

GRAINS OF PARADISE. The aromatic seeds of the *Amomum grana paraisi* and the *Amomum meligeta*, hence called, also Melegueta pepper. They are used by the African natives as a spice and a condiment. In England they were formerly much employed in the adulteration of gin, beer, and other fermented liquors, but this was stopped

by law, and their use is now restricted to veterinary medicines. Britain's supplies come from Guinea.

GRAM.—Various kinds of pulse, also known as chick-pea, belonging to the order *Leguminosae*. The seeds are used as a food by Indian natives.

GRAMMA.—(See FOREIGN WEIGHTS AND MEASURES—LIABY.)

GRAMME.—The gramme is the unit of weight in the metric system (*qv*). It is the weight of a cubic centimetre of distilled water at its greatest density, *i.e.*, at a temperature of 4° C. or 39.2° F. It is nearly equal to 15½ grains, its exact value in grains being 15.432349.

The English pound, avoirdupois, is equal to 453.6 grammes.

GRAND JURY.—(See JURY.)

GRANITE.—An igneous crystalline rock, consisting chiefly of quartz, mica, and feldspar, but frequently containing various other minerals. The colour varies, of course, according to the nature of the constituent parts, but is usually red, grey, or white, the best British granites being the grey Aberdeen and the red Peterhead. The latter is much employed for columns in public buildings. Granite generally occurs in bosses or amorphous masses, which often extend throughout the length of primitive mountain chains. It is much in demand for great engineering works, specially for bridge construction, and many public buildings are made of it, or decorated with it. Its great durability more than compensates for the difficulty and consequent expense of working it. Granite is quarried in various parts of the United Kingdom and the Channel Islands, and large quantities are obtained from the countries of Northern and Central Europe and from North America.

GRANT.—This signifies, in English law, a conveyance in writing. Since the passing of the Real Property Act, 1845, grants in writing have been effectual for the conveyance of all kinds of property, thus taking the place of the old method of feoffment (*qv*).

GRAPE.—(See VINE.)

GRAPE SUGAR.—(See SUGAR and GLUCOSE.)

GRAPHS.—(See DIAGRAMS and CHARTS.)

GRASS CLOTH.—A somewhat coarse fabric, made principally in China, not from grass, but from the fibre of the *Borhmertia nivea*, which, though often mis-named China grass, is really a species of nettle.

GRASS OIL.—A comprehensive name for many volatile oils of different origin. Geranium oil has already been described. Another variety is ginger grass oil, which is obtained from the leaves of the *Andropogon schuemanthus*, and much used for adulterating otto of roses. It is known as Idris oil in Egypt. The same plant yields lemon grass or citronella oil, which owes its name to its odour, and is used for scenting soap, for which purpose *Cyperus* grass oil from the South European plant *Cyperus esculentus* is also employed. The latter also serves as a table oil, while that obtained from the *Andropogon warancusa* is used as a stimulant and as a remedy for rheumatism.

GRATINGS AND COAL HOLES.—The Towns Improvement Clauses Act, 1847, gave power to the Commissioners (now the local authority) to cause the occupier to remove or alter any porch, shed, projecting window, step, cellar, cellar door or window, sign, signpost, sign iron, showboard, window shutter, wall, gate, or fence, or any other obstruction or projection, provided that any of

these things are an obstruction to the safe and convenient passage of the public along any street. If any building, or hole, or any other place, near any street, be, for want of sufficient repair, protection, or enclosure, dangerous to the passengers along a street, the Commissioners may repair the same and recover the expenses from the occupier.

The Town Police Clauses Act, passed in the same year, gives power to the police to take into custody, and to justices power to fine or imprison, any person who leaves open any vault, or cellar, or the entrance from a street to a cellar, or room underground, without a sufficient fence or hand-rail, or leaves defective the door, window, or other covering of a vault or cellar, or who does not sufficiently fence any area, pit, or sewer left open, or who leaves such open area, pit, or sewer without a sufficient light after sunset, to warn and prevent persons falling thereinto.

The rule of law quoted above from the Towns Improvement Clauses Act has been embodied in the Public Health Act, 1875, by which all city, town, and urban local authorities are required to see that the law is obeyed. There has been a further extension of the rule as to gratings and coal holes in the Public Health Acts Amendment Act, 1890, where the owners or occupiers are required to keep the following in good condition and repair: Vaults, arches, cellars, cellar-heads, gratings, lights, coal holes, landings, flags, or stones, all of which, or any of which, are under any street, in the surface of any street, or in the path or street.

The common law casts a duty, sometimes upon the owner of premises, sometimes upon the tenant. The case of *Pretty and Wife v. Bickmore*, 1873, L.R. 8 C.P. 401, will illustrate the point; A house in St. John's Wood was leased to a tenant for twenty-one years; the tenant was to keep the premises in repair. The tenant entered. In due course the flap or coal plate, which was inserted in the public footway over the tenant's coal hole, became out of repair. A lady was passing along; she stepped upon the insecure coal plate and was injured. The lady's husband brought an action against the landlord, but the learned Chief Justice Bovill said that the person who was in possession of the premises, and who allowed the coal plate to be in a dangerous condition, was the person responsible to the public for its being out of repair. In this case the tenant was liable and not the landlord. The same result was arrived at in the case of *Bowen v. Anderson*, 1894, 1 Q.B. 164, and it would appear that in the absence of some clear evidence of negligence on his part, the landlord cannot be held liable at all.

GRATUITOUS DEED.—A deed for which no consideration is given. It is the term in Scotch law corresponding to the English voluntary deed.

GRAVING.—The act of cleaning the bottom of a ship.

GRAVING DOCK.—Provision has to be made at ports for the repair of vessels frequenting them. Graving or dry docks, opening out of a dock, are the usual means provided for enabling the cleaning and repair of vessels to be carried out. They require to be built of good water-tight masonry. The entrance has generally a pair of folding gates pointing outwards, to exclude the water; but sometimes it is closed by means of a caisson, *viz.*, a vessel shaped something like the hull of a small ship, and having a keel and two stems, which fit into a groove in the masonry. The caisson is sunk

into the groove by admitting water into its interior, and is floated out again by pumping out the water. Keel blocks are laid along the centre line of the dock for the keel of the vessel to rest on when the water is pumped out. The dimensions of graving docks vary considerably. The sizes of some of the largest graving docks are as follows: Liverpool, Canada Dock, 925½ ft. long, 94 ft. width of entrance, and 29 ft. depth at the ordinary water-level in the dock; Tilbury, 875 ft. by 70 ft. by 31½ ft.; and Glasgow, 880 ft. by 80 ft. by 26½ ft. Where there is no site available for a graving dock, floating dry docks, built originally of wood, but more recently of iron and steel, have occasionally been resorted to. The first Bermuda dock towed across the Atlantic in 1869, and the new dock launched in 1902, 545 ft. by 100 ft., are notable examples.

GREASE.—Fatty substances of various kinds often more or less impure. A mixture of tallow and cod oil is used for currying leather, and another mixture, consisting of tallow, palm-oil, soda and water, with an occasional addition of tar, is much employed as a lubricant for the axles of carts.

GREASY WOOL.—The unscoured wool of sheep, as it is generally imported from South Africa and Australia.

GREECE.—*Position, Area, and Population.* Greece forms the southern portion of the mountainous Balkan Peninsula. Prior to 1912, the area of the kingdom was less than 25,000 square miles, with a population of a little over 2,500,000, but after the Balkan Wars of 1912-13, it was increased by the addition of certain parts of Macedonia, Epirus, and certain Aegean Islands. Its territory was further augmented after the Great War, 1914-18, by having granted to it certain parts of Albania, the promontories of Chalkidice, and the island of Crete. The total area is now about 46,000 square miles, and the population is estimated at 6,000,000. Its boundaries in the north are now Albania, Yugo-Slavia, and Bulgaria, on the south and west the Ionian Sea, and on the east the Aegean Sea.

Cape Matapan, the southernmost point, is in latitude 36½° N.

The Greek Islands. To the west is the Ionian Sea, along the coasts of which lie the Ionian Islands, Corfu, Leucas (Santa Maura), Cephalonia, and Zacynthus (Zante). Off the eastern coast, in the Aegean Sea, are numerous islands, the largest of which, Euboea or Negroponte, is separated from the mainland by a very narrow strait. North-eastward from this are the Sporades, and south-eastward the Cyclades.

The islands of Cergo and Cergotto, lying off the south coast with the numerous islets that accompany them, present serious obstacles to navigation in the seas between Crete and the mainland.

Build and Sea Routes. The mountains that fill the mainland extend generally to the sea, forming imposing cliffs and splendid harbours. Of the many arms of the sea, the largest is the Gulf of Corinth, which, extending eastward to within 40 miles of the Gulf of Aegina, makes the southern half of the country, known as the Peloponnese or Morea, virtually an island. (The cutting of a canal through the isthmus has now made it such.) Both on the east and on the south coasts arms of the sea penetrate far into the land, forming mountainous peninsulas.

Between these peninsulas communication is by

land has always been difficult, and the consequent use of the sea as a highroad has diminished the difficulty of incorporating numerous islands under the central government.

The cutting of the Corinth Canal both shortens the journey between the islands of the Ionian and Aegean Seas, and avoids the dangerous rocks around the Island of Cergo in the south, already referred to. On the other hand, the dimensions of the canal, 26 ft. deep and 100 ft. wide, together with the strong currents that run through it, due to its being cut at sea level without locks, lead to its being but little used except for local traffic. The water between the Island of Leucas and the mainland is at present too shallow for ships trading with Corfu from the south, and the deepening of this channel is under consideration.

Climate and Vegetation. On the whole, the climate of Greece in the lowlands is typically Mediterranean, with very warm, dry summers and wet winters. The western coast, however, is much moister than the eastern side of the country; where everything is withered by the heat and drought of summer and where in winter, with the exposure to winds from across Russia, the temperature is often very low. Evergreen plants flourish, and the lower mountain slopes are clothed with fine forests of oaks and conifers.

Agricultural Products. The product that enters most largely into foreign trade is the currant, a small dried grape grown almost exclusively in Greece and the neighbouring islands. The name "currant" is a corruption of the word Corinth, in the neighbourhood of which and along the southern shores of the gulf of that name large quantities of the fruit are produced. The best come from the islands. Other grapes are grown for the manufacture of wine, some of which is exported, as are also olives and tobacco. Although Greece is predominantly agricultural, not enough grain is grown, and much is imported, chiefly wheat and maize. The drought of summer makes irrigation necessary almost everywhere for successful agriculture. The extensive marsh land known as Lake Copas has now been drained, and the natural fertility of the lake soil is enhanced by the facilities offered by such low-lying land for irrigation works.

Mineral and Other Products. There is considerable mineral wealth, and ores lying near the coast are worked to some extent for export. At Laurion, in the Peninsula of Attica, manganese ore is mined, together with silver-lead ores. The island of Scyros, one of the Cyclades, also produces iron, some lignite of inferior quality is obtained; and emery is found in the island of Naxos.

Bath sponges are collected in the surrounding seas for export. The chief centre of the Greek industry, however, is the Island of Kalamno, off the coast of Asia Minor, outside Greek territorial waters.

Trade. The central position of the country between the Mediterranean and Black Seas, and the nearness of the overland routes to the east through Asia Minor and Egypt, were responsible for the commercial importance of Greece centuries ago. Even after the Turkish occupation of the mainland many islands were retained by the republic of Venice as trading stations. Hermoupolis, on Syra, is the chief centre of trade in the Aegean and many Greek vessels are engaged in the local trade between the Black Sea ports. Of the Ionian Islands Corfu is the most important.

• Passenger steamers of the Messageries Maritimes

join Piræus with Naples and Marseilles on the one hand and with Smyrna and Constantinople on the other. Cargo boats of the same line also run to Genoa, calling at Salonika and Patras; and also to Salonika and the Black Sea (Russian) ports. Other steamship lines of international importance called at different ports prior to the War, and no doubt when matters have settled down the old condition of affairs will be revived and probably improved.

The chief exports in order of value are currants and other agricultural products, ores, and other minerals, olive and other oils, wines, animal products, forest products, and fishery products.



The chief imports of the country are grain, cotton (raw, yarn, manufactured), fish, coal, animals, woollen goods, building timber, hides, paper, coffee, sugar, iron and steel, glass and earthenware, silk goods, and chemicals.

In the trade with Britain, currants are, in normal times, the most important export, forming half the total value. Other articles are iron ore, raisins, sponges, and olive oil. In return, Britain sends principally cotton and woollen goods, coal, iron, and machinery.

Routes and Towns. The roads, of which there are about 3,000 miles, at one time little more than tracks, have recently been much improved. Railways, on account of the mountainous character of the country and the small population, are few. Athens is the only capital in Europe without rail connection with the rest of the continent. The most important line connects Athens with Corinth, and thence to Patras and other towns in the Morea. The railways in the north are connected with the line between Salonika and Monastir. The length of the lines now open (1920) is about

1,500 miles. None of the rivers is of commercial importance.

Athens, after a long period of obscurity, has again become important as an administrative, intellectual, and commercial centre. It is the largest city in the country, having a population of 200,000.

Piræus (75,000), 6 miles distant, is the port and suburb of Athens, and, since the opening of the Corinth ship canal, lies almost midway between the extreme islands of the country. Half the shipping of the country belongs to this port.

Salonika (ancient Thessalonica), on the Gulf of Salonika, is the second town in point of size, its population being about 170,000. It is an important

port, and the outlet of the Vardar Valley. Its chief manufactures are silk and leather, and it is connected by rail with northern Europe. Its exports include wheat, olives, raw silk, muzzle, wool, sponges, and tobacco.

Other towns are *Patras* (38,000), *Velo* (25,000), *Corfu* (28,000), *Larissa* (20,000), *Iraklion* (11,000), *Trikkala* (18,000), *Pirgos* (14,000), *Zante* (14,000), *Calamata* (15,000), *Chalcis* (12,000), *Laurium* (11,000), *Argyrocastro* (10,000), and *Korfu* (9,000).

The time of transit to Athens is about four days.

GREENBACKS.—This is the common name given to the notes which were first issued by the Government of the United States in 1862. The backs of the notes are printed in green ink, hence the name. They are legal tender in the United States. (See FOREIGN MONIES—UNITED STATES.)

GREENGAGE.—A green, cultivated variety of plum, which, though grown in England, is much imported from France, where it is called "Reine Claude."

GREENHEART or BEBERU.—A species of laurel, valued for its hard and durable timber, which is much used in large engineering works, especially for shipbuilding. A febrifuge known as beberu is obtained from the bark. The tree is found in the West Indies and in Guiana.

GRESHAM'S LAW.—Sir Thomas Gresham, the founder of the London Royal Exchange, to whom is also attributed the introduction of our monetary system of that most potent agent of circulation—the cheque—was the chief financial adviser of Queen Elizabeth. The "law" which he, first of the moderns, enunciated clearly, is an application to coinage of a principle long known, inherent indeed in human nature. Expressed generally, it comes to this: If two articles in my possession can be equally well applied to some one purpose, I apply to that purpose the article which I value the less. Yesterday's paper is just as good for lighting the fire as to-day's,

but to-day's is more useful in other respects, and so I light my fire with yesterday's. Applied particularly to money, the law may be thus stated: When two coins of unequal value are equally good for releasing from debts, the poorer coin alone remains in circulation; or, in the usual epigrammatic form: "Bad money drives out good, but good money cannot drive out bad." If the State treats pieces of full weight and high standard as of equal value with lighter pieces of lower standard, and seeks to compel its subject to do likewise, the better coin will disappear from circulation. The inferior coins will remain in the one market where they fetch the same price as the superior coins. The superior coins will assume some form or betake themselves to some place where their superiority is an advantage. *Unless there is an effective withdrawal of the inferior coinage, or unless the better coinage is rated higher, the better coinage cannot survive.* A good example is afforded by the various South American States of to-day. No one dreams of paying in gold when a depreciated paper currency will serve the same end.

The occasion of Sir Thomas Gresham's remarks was the sterile astonishment with which his contemporaries noted that the heavy, new coins issued from the Mint disappeared in mysterious fashion, while the old, clipped, worn, and debased coins continued to circulate everywhere. Elizabeth's revered father, the first Defender of the Faith, had not kept faith with his creditors or his subjects. He had, by debasing the standard, "that least covert of all modes of knavery," conferred on all debtors a licence to rob their creditors. The famous financier persuaded the Queen "to call down," in 1560, the amounts at which the depreciated coins would be received in payment of public or private debts. Their debt-paying power was now no more than was justified by their weight of fine metal. There was no incentive to cull heavy coins for the crueble, or for export, or for hoarding.

Gresham's lesson did not, it would appear, make a lasting impression. In the reign of Charles II a resolution was made to reform the coinage. Till then the coins had been made in what we should imagine a very primitive fashion. The metal was cut by shears, and was shaped and stamped by the hammer. A uniform weight could hardly be expected, and few of the coins were quite round. The rims were not marked, so that it was quite easy to chip away a portion of the coin without being detected. To the question, "whose is this image and superscription?" could not then have been made a full answer. The image alone could be guessed at, the superscription on most of the coins had disappeared. The rigorous laws enacted against clippers in Elizabeth's reign failed to lessen appreciably the fraudulent practice. Though hangings were frequent, the clipper pursued his lucrative calling. Some reform was imperative. To effect the desired improvement and to lessen the chances of clipping, a mill, which in great measure superseded the human hand, and which turned out coins difficult to counterfeit, perfectly round, and having the edges inscribed, was set up on Tower Hill. It was expected that the excellent new money would quickly displace the old impaired coinage, but since the milled and the hammered coins were current together, and were legal tender without distinction, the milled coins went into the melting pot or crossed the Channel. The people perversely continued to employ the old, light, battered coins in monetary transactions. "The horse in the

Tower still paced his rounds. Fresh waggon loads of choice money still came forth from the mill, and still they vanished as fast as they appeared. Great masses were melted down; great masses exported; great masses hoarded; but scarcely one new piece was to be found in the till of a shop, or in the leathern bag which the farmer carried home from the cattle fair. In the receipts and payments of the Exchequer the milled money did not exceed ten shillings in a hundred pounds." It was a matter of chance whether what was called a shilling was really tenpence, or sixpence, or fourpence; there was for practical purpose no measure of the value of commodities, and it became absolutely essential that vigorous and intelligent efforts should be made to relieve trade from its embarrassments and disorders. The efficacy of the great re-coinage of 1696 was assured by the decision that, after a definite date, only the new coins should be current; the old coins should no longer pass by tale but by weight like other commodities.

All the more enlightened nations now take elaborate precautions against the loss of their good money and its supersession by light or debased money. But there was a danger in the United States, before the annulling of the Sherman Act in 1893, that gold would disappear from the currency and depreciated silver take its place: people were beginning to make gold contracts and use gold reserves. And in some countries, like the Argentine, the depreciated paper money, which is inconvertible—which cannot, that is, be turned into cash on demand—has almost displaced gold and silver, which are at a constant premium. In our case the sovereign, our unit of value, is not current below a certain weight: when issued from the Mint it is 123.25 grains; if it falls below 122.5 grains it is not legal tender. And in order that there shall be no temptation to keep abraided coins in circulation, they are automatically withdrawn by the banks and passed on to the Bank of England, which takes them for the Mint at their full value. The loss caused by usage is, therefore, borne, as it should be, by the public; and, as a result, we have a currency which is undoubtedly the best in the world.

GRIFFITH'S VALUATION.—About a quarter of a century after the Union of Great Britain and Ireland, in fact, in 1825, the Government of the day resolved upon a valuation of the land of Ireland being made, the main object being the preparation of a basis upon which taxation should be fixed. It was not until 1845, however, that the project was really taken in hand, when Mr. Richard Griffith (afterwards Sir Richard Griffith) was appointed commissioner to superintend the valuation. The result was made known in 1850, and the report was called Griffith's valuation. There has been much criticism devoted to this report; but it has been found exceedingly useful as a basis for taxation as well as for arriving at the fair rents to be paid under the various Irish Land Acts.

GRINDSTONES.—These circular stones of sandstone or gritstone are found in a natural state in Staffordshire. They are secured to an axle and revolved by steam for the purpose of grinding or sharpening cutlery, edge tools, etc. There is a growing demand for artificial grindstones, which consist of grains of sand mixed with silicate of lime.

GROAT.—An old English silver coin of the value of fourpence. It is not now issued except as Maundy Money (*q v*).

GROATS.—Husked oats. Embden groats is the name given to the ground variety.

GROCER.—This name was originally applied to a person who sold goods by the gross or wholesale. Now it signifies a dealer in tea, coffee, sugar, and other similar produce generally.

GROCERIES.—The commodities dealt in by grocers. The name given to a grocer's shop in America is a grocery.

GROSS.—As a noun, this word is applied to the reckoning of goods, etc., and originally signified a great hundred. It now indicates twelve dozen.

As an adjective, gross is the opposite of net (or nett) (*q v*), and means the full weight or quantity of any commodity, without making any allowance or deduction of any kind whatever. It is derived from the Latin *crassus*, "thick," through the French *gros*.

GROSS PROFIT.—The difference between the cost price and the selling price of goods. As goods often have work done on them which adds to their value before sale, all such expenditure is, of course, added to the original cost, in order to arrive at such cost price, and in the case of the manufacturing of goods, all costs of production of every description are taken. These include cost of material, wages, management salaries, rent, rates, light, heat, power, insurance, trade expenses, upkeep and depreciation of machinery and plant, etc. In cases where distribution takes place from the factory, it is often difficult to fix the exact point in the accounts where production expenses end and distribution expenses commence; and in these cases, in taking out the manufacturing account, in order to arrive at a gross profit, a point is struck, including all items which are clearly expenses of production, and succeeding accounts are always drawn to the same point, thus ensuring uniformity of comparisons between periods.

GROSS RENTAL.—The rent of a property before any deductions have been made for rates, taxes, repairs, or other outgoings.

GROSS VALUE.—Gross value is a term often applied to property, and means the annual value which a tenant might reasonably be expected to pay, taking one year with another, for any particular piece of land or tenement, if such tenant undertook to pay all the usual tenant's rates and taxes, and if the landlord on his part undertook to bear the costs, repairs, insurance, and other expenses, if any, necessary to keep and maintain the property or tenement in such a state as to command that rent.

GROSS WEIGHT.—The actual weight of any goods, etc., together with the package or packages, etc., in which they are contained. The weight of the package, etc., is known as the "tare" (*q v*), and that of the goods only as the "net (or nett) weight."

GROUNDAGE.—The tax that is paid by a ship for the use of the ground or space that is occupied by it whilst it is in port.

GROUND NUTS.—The fruit of the *Arachis hypogaea*, a leguminous plant of West Africa, where it is used as a food. France imports large quantities of the nuts on account of the fixed sweet oil obtained from them, which is mainly useful as a lubricant, though it is sometimes employed as a substitute for olive oil.

GROUND RENT.—This is a payment in the form of a rent which is made to the owner of freehold property (*q v*), by the person who takes it from him, for the use of the land for a specified period. It is upon the terms of the payment of a ground

rent—the periods of payment being yearly, half-yearly, or quarterly, according to agreement—that land is generally let out for building purposes. At the end of the specified period everything attaching to the land reverts to the freehold owner. It is generally considered a very good investment to purchase land to which ground rents are attached. Not only is the security good, but there exists the power of distress (*q v*), which renders the regular payment of the interest on the money invested, i.e., the rent, almost certain. Again, at the end of the stipulated period, the value of the property may have increased very considerably, owing to the existence of the buildings upon it.

GRUYERE.—A rich cheese, which takes its name from the Swiss town where it is made. The industry has now spread to the whole canton of Freiburg.

GUAIACUM.—The name of a West Indian tree, the *Guaiacum officinale*, and of its resinous product. The wood is hard and durable, and is much used for ships' blocks, bowls, pestles, rulers, etc. The greenish resin has a pleasant odour and a sweetish taste. It is useful medicinally as a stimulant, and is employed in the preparation of various pills, powders, and tinctures.

GUANO.—The important manure consisting of the excrement of various sea-fowl and of other marine animals, such as seals. It contains all the elements necessary for plant life, being rich in phosphatic and nitrogenous compounds. The proportion of the latter is greatest in dry regions, and the most valuable nitrogenous guano is found off the Peruvian coast, while guano in which the phosphatic constituents preponderate is found in many islands of the Pacific and off the coast of Bolivia. The trade is declining owing to the exhaustion of supplies, and there are many artificial manures on the market, though fish guano is still obtained from Norway, and bats' guano from Texas and the Bahamas.

GUARANTEE.—A guarantee is a contract whereby one person, the promisor or guarantor or surety, as he is variously called, undertakes to be answerable to another person, who is called the creditor, for any possible loss in respect of or due to the debt, default, or act of a third person, called the principal debtor, who is, or is about to be, under a primary legal liability to the creditor. More shortly defined, a guarantee is a contract to perform the promise or discharge the liability of a third person, in case of his default. It will be seen from these definitions that a contract of guarantee, or a contract of suretyship, as it is sometimes called, is a kind of accessory or auxiliary contract, for, except in circumstances so rare as to be hardly worth mentioning in an article of this nature, such a contract cannot have an entirely independent existence: it must depend upon and have relation to another contract between the creditor and the principal debtor, and the surety cannot be called upon under his guarantee until the principal creditor is in default under such other contract. It is important to recognise this distinction between a guarantee and an entirely absolute and independent contract, because the rules of law we are now about to discuss may have no application to the latter kind of contract, and it is, in practice, frequently of vital importance to ascertain whether a particular contract is a guarantee, and so subject to special rules, or whether it is an independent contract, such as a contract of indemnity, which will only be

subject to the ordinary law regulating contracts (*q.v.*). The dividing line is often a very thin one, and there is sometimes considerable difficulty in ascertaining into which class a particular contract falls. An indemnity has been defined as a contract, express or implied, to keep a person who has entered into a contract, or who is about to enter into one, indemnified against loss under the contract, independently of the question whether a third person makes default. A policy of fire insurance is a well-known form of an express contract of indemnity, and the contract of agency (*q.v.*) gives rise to a familiar example of an implied indemnity, a principal being bound to indemnify his agent against the consequences of all lawful acts done by the agent in pursuance of his authority. The test to be applied in order to distinguish between the two forms of contract is to discover whether the person who makes the promise is primarily liable thereon, or does his liability depend upon the previous act or omission of someone else; if the former, it is an indemnity; if the latter, a guarantee. A simple example may make this clear. A and B go to a tailor's shop, and A says to the tradesman: "Make B a suit of clothes, and if he does not pay you, I will." This is a guarantee by A to the shopkeeper. If, on the other hand, A says: "Make B a suit of clothes and I will pay," or "put it down to me," then A makes himself primarily liable, and the contract is one of sale. But if A had used some such words as: "I will see you don't lose by the transaction," then the attendant circumstances would have to be enquired into, to see whether he was giving an indemnity, or was guaranteeing that B would pay for the clothes.

Formation of the Contract. Guarantees are subject to the ordinary requirements of contracts, there must, for example, be mutual assent of the parties to the contract, the parties must be capable of contracting, and there must be a valuable consideration unless the contract is under seal. (See CONSIDERATION, CONTRACT, DEEDS.) If there is a sufficient consideration existing, it is not necessary that it should be stated in the written document which embodies the contract of guarantee. In addition to compliance with these general requirements, there is a further essential to the validity of a guarantee—there must be a memorandum in writing of the terms of the contract sufficient to meet the requirements of Section 4 of the Statute of Frauds (29 Car. 2, c. 3), which enacts that no action shall be brought upon any special promise to answer for the debt, default, or miscarriage of another person, unless the agreement upon which such action shall be brought, or some memorandum or note thereof, shall be in writing and signed by the party to be charged therewith, or some other person thereunto by him lawfully authorised. For what amounts to a sufficient memorandum to satisfy the statute, see STATUTE OF FRAUDS. An indemnity does not need to be in writing. Although a verbal guarantee cannot be sued upon, it is not void, and if a person pays money under it he will not be able to recover the money back again. By a later Act of Parliament, known as "Lord Tenterden's Act," no representations as to the character, conduct, credit, ability, trade, or dealings of any other person, in order to obtain him credit, can be sued upon unless made in writing and signed by the party to be charged.

A guarantee not under seal must bear a 6d. stamp, if by deed, the stamp is usually 10s. A guarantee to pay for goods to be supplied to a third person

does not require a stamp, nor do representations as to character, etc., under Lord Tenterden's Act.

Surety's Liability. The liability of a guarantor or surety does not arise until the principal debtor has made default, and, subject to that, the extent of the liability will depend upon the terms and conditions of the contract, for a surety is entitled to insist on a rigid adherence to these by the creditor, and cannot be made liable for anything more than he has undertaken, and in the interpretation of the terms and conditions the ordinary rules of construction (see CONTRACT) will be applied. Dealing with a guarantee as a mercantile contract, the court does not apply to it merely technical rules, but construes it so as to give effect to what may fairly be inferred to have been the real intention and understanding of the parties as expressed by them in writing, and *ut res magis valeat quam pereat*, or with a strong leaning towards making the contract effective rather than to destroy it.

A guarantee may be only in respect of a single transaction or for a specified time, or it may cover a series of transactions, when it is called a "continuing guarantee," and endures until the things contemplated by the parties and covered by the guarantee have all happened, or the guarantee has been revoked. Unless otherwise agreed, a continuing guarantee is revoked by any alteration in the persons to or for whom it is given; thus, the retirement or death of a partner in a firm to whom a guarantee has been given will generally discharge the surety. (See also FIDELITY GUARANTEE.)

As soon as the principal debtor has made default, such not being due to the misconduct or with the connivance of the creditor, the latter may proceed against the surety, without being under any necessity, unless the contract otherwise provides, of first suing the principal debtor and of taking any other form of proceedings against him. Of course, if the contract contains any condition precedent to the surety being liable, that condition must be fulfilled. A common example is the stipulation, in a contract to guarantee payment for goods sold, that the goods shall be delivered to the purchaser. In such a case, though the day on which the purchaser was to pay the price has passed, the surety cannot be called upon until the goods have been delivered. If a surety becomes bankrupt, the creditor may prove against his estate for the amount of the guarantee.

Surety's Rights. A surety has certain well-defined rights against (1) the creditor, (2) the principal debtor; (3) any co-surety.

(1) Any time before default, a surety is entitled either to call upon the creditor to require the principal debtor to pay or to do the agreed thing, but he cannot compel the creditor to proceed against the debtor without giving him an undertaking to indemnify him against all risk and expense; or to pay off the creditor and then sue the debtor. The surety on being sued by the creditor may set up any defence that the principal debtor could have raised had he been sued, and as soon as he has paid what is due from him, he is entitled to be placed in the same position towards the principal debtor as the creditor was, and to have and exercise all the rights and securities of the creditor in respect of the debt, default, or miscarriage to which the guarantee relates. This last-mentioned right is sometimes, though not very accurately, referred to as the "right of subrogation."

(2) A surety who has undertaken the obligation at the request of the debtor which request may be

implied, has a right to recover from the debtor complete indemnification in respect of all the surety has to pay under the guarantee, and to call upon the debtor to exonerate him from liability to the creditor. He can recover by action all moneys properly paid by him under the guarantee, with interest, and, in some cases, the costs of defending an action brought by the creditor.

(3) If two or more sureties have joined in giving the guarantee, a surety who has paid more than his proper share in respect thereof is entitled to receive contribution from his co-sureties, and if these are bound in varying amounts, they must contribute proportionately. In settling the contribution, only those sureties who are able to pay are reckoned. Thus, if there are three sureties, and one has become bankrupt, the surety who has had to pay can recover one-half of the amount from the other solvent surety. This right exists whether the sureties are bound by the same or different instruments, so long as the liability is a common one; and even though the surety claiming contribution did not know when he signed the guarantee that there were or were about to be other sureties. A surety cannot enforce contribution if he has been guilty of any wrongful concealment from, or misrepresentation to, his co-sureties.

Discharge of the Surety. A guarantee may be bad *ab initio*, or may be avoided on any ground which affects the validity of an ordinary contract (*q.v.*), and the surety will thereby be relieved from liability. Among these grounds are failure of consideration, non-performance of conditions precedent, a material alteration of the memorandum or writing, payment, fraud, misrepresentation, and non-disclosure or concealment of material facts in certain cases. Though a contract of guarantee is not necessarily one of the class *uberrimae fidei*, which impose on a party the duty of making full disclosure of all matters likely to affect the mind of the other party as to whether he will enter into the contract or not, still under some circumstances it is a creditor's duty to make facts known to the proposed surety; thus, in the case of a guarantee given for the fidelity of a servant, the creditor should disclose such a fact as that the servant had already embezzled money and been forgiven.

A surety is also discharged from liability by any material variation of the terms of the independent contract (see above) between the creditor and the principal debtor, which may be arranged without the surety's consent, if such variation operates to the prejudice of the surety. Thus, a surety for a contractor will be relieved from liability if the creditor makes greater interim payments to the contractor than the building contract authorises. The rule on this point has been well stated in the following terms by Lord Justice Cotton in *Holme v. Brunskill*, 1877, 3 Q B D. 495, at p. 505—

"If there is any agreement between the principals with reference to the contract guaranteed, the surety ought to be consulted, and if he has not consented to the alteration, although in cases where it is without inquiry evident that the alteration is unsubstantial, or that it cannot be otherwise than beneficial to the surety, the surety may not be discharged, yet if it is not self-evident that the alteration is unsubstantial, or one which cannot be prejudicial to the surety, the court will not, in an action against the surety, go into an inquiry as to the effect of the alteration, or allow the question whether the surety is discharged or not to be

determined by the finding of a jury as to the materiality of the alteration, or on the question whether it is to the prejudice of the surety, but will hold that, in such a case, the surety himself must be the sole judge whether or not he will consent to remain liable notwithstanding the alteration, and that if he has not so consented he will be discharged."

A surety is also discharged if the creditor legally binds himself to give further time to the principal debtor. Mere inactivity on the part of the creditor to enforce his rights does not amount to giving time, but any neglect of the creditor to do what he is bound to do for the protection of the surety will operate as a discharge. Thus, since a creditor on receiving payment from a surety is obliged to hand over to the surety any securities he may have received from the debtor or other person in respect of the debt, if the creditor has by his own neglect lost or impaired the value of the securities, the surety will to that extent be relieved. In cases under the Moneylenders' Act, 1900, a surety has a special right to obtain partial relief (See MONEYLENDERS.)

Finally, a surety will be discharged if the creditor does not commence proceedings against him within the time fixed by the Statutes of Limitation, that is, within six years in the case of a simple contract, or twenty years if the contract was made by deed.

GUARANTEE ASSOCIATIONS.—These are either joint stock companies, incorporated associations, or voluntary societies formed for the purposes of guaranteeing various classes of risks, such as the payment in due course of principal and interest secured by debentures or mortgages, the solvency and reliability of traders and others, the title to property, the payment of money in contemplated contingencies, and the reimbursement to employers of the pecuniary loss suffered by the defalcations or other misconduct of their servants. Such an association issues to the insured person either a guarantee bond or a policy of insurance to cover the contemplated risk, in consideration of the payment to them of a lump sum or of an annual premium. These are governed by the ordinary rules of law relating to such matters.

GUARANTEE FUND.—A fund which is set apart out of the profits of a business to meet exceptional losses.

GUARANTEE INSURANCE.—(See INDEMNITY INSURANCE.)

GUARANTEE SOCIETY.—(See GUARANTEE ASSOCIATION.)

GUARANTEE STOCKS.—These are stocks upon which the interest, or the principal together with the interest, is guaranteed. In some cases the interest upon such stock is guaranteed by another company, and then the interest is paid by the guaranteeing company if the original company is unable to meet its obligations. This frequently occurs in the case of railway companies, where one company has the right of running over the lines of another company.

GUARANTOR.—The person who gives a guarantee.

GUARDIAN AD LITEM.—Except when he is suing for wages, an infant plaintiff must always appear in court by his "next friend" (*q.v.*). Similarly, when he is a defendant, a person must be assigned to him as guardian *ad litem*, in whose name the proceedings must be taken. The "next friend" is always personally responsible for the costs which may be incurred. A guardian *ad litem* is not

personally liable for any costs unless they have been occasioned by his own actual negligence or misconduct.

GUARDIAN AND WARD.—So long as the father of an infant child is alive, he is its natural guardian, and after his death the mother is the guardian, either alone or in conjunction with some other person nominated by the deceased father in his will. Again, a mother of any infant may, by deed or will, appoint any person or persons to be guardian or guardians of such child after the death of herself and the father, if such infant is then unmarried. And, in addition, a mother is empowered by deed or will to nominate provisionally some fit person or persons to act as guardian or guardians with the father after her death, and the court will, if satisfied that for any reason the father is unfit to be the sole guardian, confirm such appointment.

It is seen, therefore, that, generally speaking, there cannot be a guardian except the father so long as he is alive, unless good cause is shown that he is not a fit person to act as such. But by recent legislation it has been provided that the court will interfere and prevent the father—or the mother, if she has succeeded to the father's place—from regaining the custody of a child which is detained, if it is satisfied that the child has been abandoned or deserted, or that he has been guilty of such conduct as will disentitle him to have his natural rights protected. The same rule applies if a parent has allowed any person to bring up a child under such circumstances as make it clear to the court that the parent is unmindful of parental duties, and convince it that the resumption of parental control is not for the child's benefit.

The guardianship of children after a decree of divorce is entirely in the discretion of the court, and will depend upon the particular circumstances of the case.

It is only rarely that any person other than one or both of the parents can appoint a guardian. But if the parents are dead, or if they by their conduct have rendered themselves unfit, in the opinion of the court, to maintain their natural right of guardianship, a stranger may appoint or select a guardian to a certain extent. Thus, if substantial pecuniary benefits are given to an infant by a stranger who proposes to appoint a particular guardian, then the court will generally give effect to such appointment, if it is satisfied as to the proposed guardian being a fit and proper person. Also where no guardian at all has been appointed, the court will take upon itself to nominate a guardian, provided the infant has some property within the jurisdiction over which the court can exercise control, if necessary.

Sometimes it is desired to make an infant a ward of court, as a special protection. This cannot be effected unless the child has some property. In order, then, to accomplish this purpose, it is the practice for some person who is interested in the infant to settle a sum of money upon him or her—£50 or upwards—to pay the sum into court to the credit of the child. When this has been done, the court will exercise a general supervision over the infant until the attainment of the age of twenty-one in the case of a male, and until the attainment of that age or marriage in the case of a female. A person will be appointed guardian, and such guardian will act under the general supervision of the court. One of the principal restraints imposed in the case of a female infant, who is a ward of court,

is in respect of marriage, and any person concerned in procuring a marriage with an infant ward is guilty of contempt of court (*q.v.*) and liable to imprisonment. It is still a case of contempt of court though the person or persons involved in it is or are unaware of the fact of the wardship.

In most cases the position of guardian and ward is exactly the same as that of parent and child. But there is one great exception. Unless the circumstances are very exceptional, the court will not allow a gift made by a ward to a guardian to stand good if made by the ward during the continuance of the guardianship.

GUARDIANS' MEETINGS (BOARDS OF).—The statutory provisions governing these meetings are contained in the Local Government Act, 1894, (Sec. 59), and the Public Health Act, 1875 (Sched. I), and are as follows:—

The guardians at their annual meeting must elect a chairman for the year, who may be either one of themselves or someone from outside. Further, they may appoint for a concurrent period of office a vice-chairman, who also may be one of themselves or an outsider; and he will have the powers and authority of the chairman during the latter's absence or inability. Both the chairman and vice-chairman must be either parochial electors of a parish within the particular union, or have resided in the union during the whole of the twelve months preceding the election; or, in the case of a parish situated within a borough, they must be eligible for membership of that borough council. Women are eligible. An interim vacancy in the chairmanship shall be filled for the unexpired period by appointment under the usual conditions. It is extremely important to note the various ways in which a chairman may become disqualified; space does not permit of their being set out here.

Every board of guardians must from time to time make regulations with respect to the summoning, notice, place, management, and adjournment of their meetings, and generally with respect to the transaction and management of their business. These regulations appear to be subject in some respects at least to the control of the Local Government Board. Meetings may not be held in premises licensed for intoxicating liquor, unless no other suitable room is available either free of charge or at a reasonable cost.

The proceedings of a board of guardians shall not be invalidated by any vacancy or vacancies among their members, or by any defect in the election of such board, or in the election or selection, or qualification of any member thereof.

The annual meeting of a board must be held as soon as convenient after April 15th in each year; and business meetings must be held at least once a month. The first meeting of a board constituted after the passing of the 1894 Act shall be held at such place and on such day (not being more than ten days after the completion of the election) as the returning officer may appoint by written notice to each member of the board. The chairman at meetings of the board shall be the chairman of the board, if present; failing him, the vice-chairman; failing him, one of the guardians present shall be appointed to the chair, which he need not vacate if the chairman or vice-chairman should afterwards come in. No business shall be transacted at a meeting unless at least one-third of the full number of members be present, subject to this, that in no case shall a larger quorum than seven members be

required. Every question at a meeting shall be decided by a majority of votes of the members present and voting on that question. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote. The names of the members present, as well as of those voting on each question shall be recorded, so as to show whether each vote given was for or against the question. Any minute made of proceedings at a meeting, and copies of any orders made, or resolutions passed at a meeting, if purporting to be signed by the chairman of the meeting at which such proceedings took place, or such orders were made or resolutions passed, or by the chairman of the next ensuing meeting, shall be received as evidence in all legal proceedings; and until the contrary is proved, every meeting where minutes of the proceedings have been so made, shall be deemed to have been duly convened and held, and all proceedings thereat to have been duly had.

Boards may, as stated, make their own regulations as to the procedure at their meetings, subject, of course, to subsisting statutory provisions. Boards, accordingly, will be found each to have their own standing orders. By way of illustration, the following are some provisions extracted from the standing orders of an important board of guardians in the south of England.

Ordinary meetings are held, fortnightly, on Tuesdays, at 3 p.m., but from May to September they are monthly only. An extraordinary meeting may be summoned on the written requisition of two guardians, but only the business therein specified shall be transacted. Two days' notice of meetings must be given to guardians, except in cases of emergency, when a meeting may be held forthwith and the case dealt with. The orders of the day (*i.e.*, the order of business) at ordinary meetings after the minutes have been read are as follows—

1. Business arising out of the minutes
2. To receive and consider orders by out-relief committees
3. To receive and consider any statement as to the financial position
4. To receive and consider orders of admission of paupers into the workhouse
5. To hear and consider special applications for relief
6. To examine the treasurer's account
7. To receive and consider reports of committees
8. To consider recommendations of the finance committee and make orders on the treasurer
9. To receive and consider reports from officers
10. To receive and consider statements of requirements for the several establishments
11. To appoint officers and servants
12. To bind apprentices
13. To receive and consider communications from the Local Government Board
14. To receive and consider other communications
15. To consider in their order motions of which notice has been given

A copy of the orders of the day, with a concise summary of the business, is to be sent to each guardian before the meeting.

Four days' notice of motion must be given, except that in case of a motion to rescind a resolution seven days' notice must be given, and then only after a month from the passing of the resolution, unless its reconsideration be recommended by a committee or by three-fourths of the guardians present at a meeting.

Subject to the chairman's discretion, speeches must not exceed ten minutes. On a show of hands, any two guardians may demand a recount before the result is announced. A negatived motion may not be again moved for a month, unless recommended by a committee, or by three-fourths of the guardians present at a meeting. Appointment and regulation of the various committees are provided for. A meeting of a standing committee may be summoned at the request of its chairman or of two members, but of a special committee, only at the request of its chairman. The quorum for a committee meeting is three. A minority on a committee may report to the board through the chairman of the committee.

Except in so far as standing orders may provide, the ordinary rules of debate apply.

GUARDIANS OF THE POOR.—The duties of guardians of the poor were modified by the Local Government Act, 1894. No persons are to be nominated as guardians; all must be elected by popular vote. A guardian must be a parochial elector of some parish within his poor law union, or must have resided within the union for twelve months before the day of election. Women, whether married or single, may be elected as guardians. The parochial electors of each parish shall elect the guardians for that parish. One vote may be given for each candidate, not exceeding the total number to be elected, so that if there are ten guardians to be elected out of twenty candidates, the voter may give one vote for each of the ten candidates whom he prefers, but not more.

A guardian holds office for three years, and one-third of the number goes out of office on April 15th of each year; the retiring guardians are eligible for re-election. A board of guardians may, if it chooses, elect the chairman and vice-chairman from outside their own body. The district councillors for any parish in a rural district shall be the poor law guardians for their parish. When, therefore, a rural district councillor is elected by the parochial electors, he becomes a guardian of the poor as well.

Guardians of the poor had their origin in an Act for the relief of the poor, passed in the reign of Elizabeth, 1601. This Act created overseers of the poor, who were to be nominated by the churchwardens of each parish in Easter week. Their duty was to set to work, that is, to find work for, such of the parishioners who could not maintain their children; to find work for grown persons, married and unmarried, who could not maintain themselves; and to raise, by taxation or otherwise, a convenient stock of flax, hemp, wool, thread, iron, and other necessary stuff to set the poor on work. Overseers were also required to find competent sums of money towards the necessary relief of the lame, impotent, old, blind, and such other among them who were poor and not able to work. Children of the parish were also to be put out to apprentice. The poor rate was compulsory then, as now, and whoever failed to pay it was liable to have his goods taken in distress or himself to be imprisoned.

The poor law was amended in 1834, and the administration of the poor law was vested in Poor Law Commissioners; that body is now extinct, and their place is taken by the Local Government Board. The duties of the guardians are supervised and controlled by the Local Government Board; some of those duties are. The management of the poor, the government of workhouses, the education

of workhouse children, apprenticeship, the control of poor law parish officials, the keeping of accounts, the making of contracts. All parishes are grouped in certain convenient clusters, each group is called a union, and, generally, one workhouse is sufficient for each union. The offices connected with the union are where the board of guardians meet to carry out their duties. The fund raised from the rates for relief of the poor is called the common fund.

It is the duty of the guardians to ascertain the value of property in every parish, to assess the same, and upon this assessment the poor rate is based. In fact, the valuation and assessment made by the guardians of the poor forms the basis of all parochial rates, and imperial taxation, so far as imperial taxation is raised from property in land.

The word "guardian" means, any visitor, governor, director, manager, acting guardian, vestryman, or other officer in a parish or union, appointed or entitled to act as a manager of the poor, and in the distribution or ordering of the relief to the poor from the poor rate. The Local Government Board may fix the number of guardians to be elected for any parish, or divide a parish into wards, and fix the number of guardians to be elected for each ward. A like power is given to county councils acting in conjunction with the Local Government Board.

A board of guardians is a corporate body, and possesses a common seal by which it authenticates its acts and makes its important contracts. There must be at least three guardians present at a board meeting; if there are less than three present, any act sanctioned would not be legal. An extended summary of the duties of guardians will conclude this article. The duties of guardians. To direct the relief of the poor; to direct the assistance given to the able-bodied poor; to direct outdoor relief, that is, relief given to the poor who do not enter the workhouse; to supply casual wards; to assist in the emigration of the poor; to apprentice poor children; to prosecute vagabonds and persons forsaking their families; to remove paupers to the union to which they are properly chargeable; to hire or purchase land, and erect workhouses thereon; to appoint the visiting committees of workhouses; to appoint registrars and superintendent registrars of births and deaths; to pass the union accounts; to defend appeals against the poor rate; to make maps and plans for parish purposes; and to order a new valuation of the property of each parish when the same is necessary.

GUATEMALA.—Guatemala is one of the States of Central America situated between the Pacific and the Atlantic, about 15° N latitude. It has an area of about 43,000 square miles, and the population numbers close upon 2,000,000, two-thirds of this number being Indians, some of whom are compelled to render forced labour.

Running north-west to south-east, parallel with the Pacific, is a high range of mountains fringe on the Pacific side by a low, narrow coastal plain, and descending more gradually north-westward to the lowlands of Yucatan with several ridges parallel to the main ridge.

Lying within the tropics, the climate is hot and damp in the lowlands. In the higher lands the temperature is lower, and when parallel ranges protect the intermediate districts from winds, both from the Atlantic and the Pacific, the rainfall is small—about that of eastern England. The east is

rainy throughout the year, but on the Pacific slope there is a dry season from November to April.

Rubber, mahogany, and dye woods from the forests are valuable products, and are exported to the United States by land through Mexico. The soil is fertile, and the chief crop is coffee. Bananas, sugar, maize, and other tropical products are also grown. The bulk of the population is engaged in lumbering and agriculture, and while the mineral wealth is known to be great, it is at present but little worked.

The roads, although many are little more than mule tracks, are passable, except in the rainy season. Railways are being extended into the coffee lands.

The chief Atlantic port is *Puerto Barrios*, which is connected by rail with *San José* on the Pacific by a line running through the capital.

Coffee and rubber are exported chiefly to the United States and Great Britain, bananas and silver are also sent to the States. Most of the imports including cotton, flour, and railway materials, are from the United States, those derived from other countries being of little value.

Guatemala la Nueva, the capital, has a population of about 90,000, a very large proportion of whom are of European descent. The population was reduced by a quarter at least owing to the great earthquake in January, 1917, when the city itself was practically destroyed. Other towns with a population of 30,000 and over, are *Tontomacapan*, *Quezaltenango*, and *Cobán*.

The Spanish yoke was drawn off in 1821, and the present republic was established in 1847. There is universal suffrage, the legislative power being vested in a National Assembly directly elected, and a Council of State, partly appointed by the president. The executive is vested in the president, who is elected directly by the people.

The regular mail service, in normal times, is twice a week, via New Orleans. The time of transit is about twenty days.

For map, see CENTRAL AMERICA.

GUAVA.—The name of a tropical tree of the myrtle family and of its fleshy, pear-shaped fruit. The wood of the guava (a species of *Psidium*) is valued by turners for its hardness, and the aromatic fruit is much used in the preparation of preserves and jellies. The tree is a native of the West Indies, but is also found in the East Indian archipelago.

GUIANA.—The Guianas lie on the north-eastern coast of South America, just north of the equator. Originally held by the Dutch, the country is now divided between the British, Dutch, and French. British Guiana is the only portion of the South American continent under British control.

The climate is hot and moist, but the heat is never unbearable near the coast, on account of the sea breezes. The coast lands are low and swampy. Inland the country rises, and in the north-west reaches an elevation of over 8,000 ft. These uplands are covered with damp, unexplored forests, and the only inhabited portions of the country are the lowlands near the coast.

British Guiana. British Guiana was finally ceded by the Dutch in 1815, the Roman Dutch law is still used for civil cases, and the only portion of the colony where extensive agriculture is carried on is the land reclaimed from the coastal swamp by the Dutch. The population of 34,000 include about 1,700 Europeans, the bulk of the remainder being negroes, East Indians, Chinese, aborigines, and

mixed races. The coast line is about 250 miles long, and along the Essequibo, which divides the country into two, the colony is about 600 miles wide.

Although the sugar industry is not so flourishing as formerly, sugar, molasses, and rum are the chief exports, after which come timber, rice, and gold. Much gold is known to exist, but the difficulty of reaching the fields owing to the rapids on the rivers, the torrential rain and consequent floods, prevents the development of mining.

The chief imports are flour, textiles, machinery, and manures.

Railways (95 miles), rivers, canals (12 miles), and roads link up the cultivated area.

The country is divided into three counties, named after the three rivers, Essequibo, Demerara, and Berbice.

Georgelown (55,000), on the Demerara, is the capital of the whole colony, and is protected from inundations by a stone wall.

Other towns are *New Amsterdam* in Berbice, and *Bartica* in Essequibo.

Dutch Guiana, or **Surinam**, produces sugar, bananas, coffee, and cocoa. Its capital is *Paramaribo*, and most of its trade is with the Netherlands. (See also under **HOLLAND**.)

French Guiana, or **Cayenne**, is the most unhealthy of the Guianas. It has been used as a penal settlement since the Revolution. Gold mining is an increasing industry, and gold the most important export. The capital is *St. Louis*.

The regular mail service is fortnightly, and the time of transit about fifteen days.

For map, see **AMERICA, SOUTH**.

GUIANA BARK.—A medicinal bark used in cases of fever. It is obtained from a species of cinchona tree grown in French Guiana.

GUILD.—(See **GROUP**.)

GUILDER.—Same as guilder. (See **FOREIGN MONIES**—**HOLLAND**.)

GUINEA.—Guinea is the term used for the coast lands of Africa, along the shores of the Gulf of Guinea, from about Gambia to the southern boundary of Portuguese West Africa. The northern position is known as Upper Guinea and the southern as Lower Guinea, but with the exploration and opening up of the hinterland both terms are now less used than formerly, giving way to the names of the newly-formed States.

French Guinea extends between the British possessions of the Gambia and Sierra Leone with Portuguese Guinea, including the Bissagos Archipelago, as an enclave. The coast of Liberia is the Grain (or Pepper) Coast, east of this is the Ivory Coast, and then the Gold Coast. German Togoland (as it was formerly known, but which has now been assigned to Great Britain), French Dahomey, and Western Nigeria border on the Slave Coast.

In Lower Guinea are the Kamerun, which has Spanish Guinea or Conso Bay as an enclave, French Equatorial Africa; the Congo State, and Angola, the maritime portion of Portuguese West Africa. Kamerun has since the war been assigned to France.

Since Guinea is practically the western border of the tropical forests of Africa its trade was largely in forest products, together with the products indicated by the names given to the coasts of Upper Guinea. These, however, have ceased to have any significance, and the opening up of the basins of the Niger and the Congo has had a marked

influence on the character of the trade. Of wild products, the principal are mahogany and rubber. Of cultivated crops, cocoa is the most important, being grown in Nigeria, Kamerun, and Angola, but by far the largest extent in the Portuguese island of St. Thomé.

For map, see **AFRICA**.

GUINEA.—The name of a gold coin which was at one time current in Great Britain, so named because it was coined from gold brought from Guinea, in West Africa. The date of the first coinage was 1663, and the value of twenty-one shillings was fixed in 1717, although this was scarcely correct. Guineas have not been coined since 1817, but quotations are still made in guineas, especially amongst professional men and in connection with subscriptions to charitable objects.

GUINEA PIG.—This is a slang term for a titled individual who, knowing little of business, lends his name to a company as director for the sake of the fees very frequently fixed at one guinea for each attendance at a board meeting. In these days, when so many members of the aristocracy have taken to finance as a profession, it would be most unjust to assume that more than a small proportion of the titled persons who are company directors are guinea pigs; the fact remains, however, that a certain number of individuals still give their names in this manner, although, owing probably to its no longer being so effective, the practice may be said to be on the wane.

GULDEN.—(See **FOREIGN MONIES**—**AUSTRIA, HOLLAND**.)

GULF STREAM, THE.—**Origin and Course.** The Gulf Stream is an ocean current which derives its name from its association with the Gulf of Mexico. Although popularly an isolated phenomenon, it is part of the general circulation of the waters of the world. This circulation of the waters of the world is due to the three main causes, all of which affect the Gulf Stream in some part or another. They are (1) the effect of winds blowing continuously over the same area; (2) differences in temperature; and (3) differences in salinity. The first of these has by far the greatest effect, acting chiefly in a horizontal direction. The other two produce vertical movements, since cold water is denser and, therefore, bulk for bulk, heavier than warm, and, consequently, has a tendency to sink, while the greater salinity of water the greater will be the density, and downward movement sooner or later occurs.

The circulation of the waters of the Atlantic is due to the north-east and south-east trade winds, which send two currents across the ocean from the shores of Africa to America, one called the North Equatorial Current, and the other the South Equatorial Current. The southern current striking the eastern angle of the South American Continent, divides into two parts, the southern of which flows along the coast of Brazil, and is known as the Brazil Current. The northern part, flowing along the north-eastern shore of the Continent, passes between the small islands in the south of the West Indian Archipelago, into the Caribbean Sea, and thence into the Gulf of Mexico, through the passage between the Island of Cuba and the peninsula of Yucatan. The only other communication between the waters of the Gulf and those of the ocean is to the north of Cuba through Florida Strait, and after passing round the Gulf in a broad, slowly moving "drift" known as the Gulf Drift,

the stream is forced through this narrow channel and its speed greatly quickened. It enters the Atlantic as a river of very salt water 50 miles wide, and 2,000 ft deep, with a temperature at the surface of 81° F and a velocity of 4 or 5 miles an hour. As it emerges, it is joined by a small branch of the North Equatorial Current that passes between the Bahamas and Cuba, and then flows northward. This direction is determined by the general circulation of the waters of the north Atlantic. The northern current, after flowing north for some distance, crosses the Atlantic towards Portugal, and then flows southward again to be caught up once more by the trade winds and driven westward. A huge eddy is thus formed, in the middle of which is a region of still water where sargasso weed collects, forming a "Sargasso Sea." It is along the borders of this eddy that the Gulf Stream flows, the waters of the two systems mixing in mid-Atlantic to a considerable extent.

On reaching the latitude of Cape Hatteras, the Gulf Stream turns eastward. By now it has considerably broadened and lost much of its distinctive character, and as a current with a flow independent of small changes in the direction of the wind it no longer exists. It is a broad, slowly-moving drift, whose movements are susceptible to every change of wind, but since it has now reached the region where the south-west wind prevails, its waters are driven slowly north-eastward past the shores of the British Isles and along the coast of Norway to the Arctic.

Effect on North America. Coming down from the Arctic along the eastern coast of North America is a cold current, bringing much ice and giving Labrador its sub-Arctic climate. Where the Gulf Stream drift approaches this, the condensation of the moisture above it gives rise to the fogs that are encountered by ships from New York and other American ports, and that make fishing on the Newfoundland banks so dangerous. At the same time the ice, entering the warmer water, is melted, so that icebergs are seldom encountered to the south of the drift. The Banks of Newfoundland are formed to a large extent of material brought down embedded in icebergs and dropped when the ice melts.

Effect on Britain and Europe. The presence of this body of warm water has an effect on our islands and Western Europe both in raising the temperature in winter and also in increasing the humidity of the air. In no part of the world does the ice-free coast extend so far north, and in some places off the coasts of Britain water at a temperature of 40° is found a mile below the surface, while even at the equator lower temperatures are found at less than half a mile.

The significance of its effect on the countries past which it flows is, perhaps, best illustrated in Scandinavia and the extreme north-west of Russia. For months during the winter Swedish iron ore cannot be sent by the Baltic on account of the ice. It is then sent overland to Ofoten, in Norway, within the Arctic Circle, and much farther north than the northernmost arm of the Baltic, and thence shipped to England.

A still more striking contrast exists in Russia. The shores of the Black and Baltic Seas are so obstructed by ice in winter that ice breakers have to be used to extend the open season. Archangel, on the White Sea outside the Arctic Circle, is closed by ice for eight months in the year. Yet Alexandrovsk, further within the Arctic Circle than the

mouth of the White Sea, is always ice-free, and is to be converted into a port. It will, then, be the most northerly, and at the same time the only ice-free port, in Russia.

Course in the Arctic. Within the Arctic the warm water sinks beneath the colder waters of the Arctic, for the latter, on account of the fresh water brought by the great rivers, and the little evaporation, are comparatively fresh and, therefore, light, and so keep to the surface. Both to the north of Spitzbergen and also to the north of Franz Josef Land, this warmer water is found at a depth of from 100 to 490 fathoms.

GUM.—A name of wide application, including true gums, such as agar-agar (*qv*); various gum-resins, such as asafoetida (*qv*); and occasionally balsams of the type of gum benjamin (*qv*), though these contain no true gum at all. They are all of plant origin, and are mainly obtained by exudation. The first class is soluble in water, whereas the gum-resins are not. The chief imports come from West Africa and India. Gum is used for adhesive purposes and for dressing calico. It is also valuable medicinally. Artificial gums are manufactured from various starchy substances. British gum is also known as dextrine (*qv*).

GUN COTTON.—Also called pyroxylin. A powerful explosive, first prepared for practical purposes towards the middle of the nineteenth century. It is obtained from cotton waste, which is first freed from grease, picked, dried, and cut into lengths, and finally saturated in a mixture of sulphuric and nitric acids. Any excess of acid is washed off, and the gun-cotton is reduced to pulp, compressed hydraulically to one third of its bulk, and moulded into the sizes and shapes required. Gun-cotton is much used in blasting operations, and as it is unaffected by moisture, it is largely employed in submarine mining and for charging torpedoes. The usual detonator employed is fulminate of mercury. Gun-cotton is superior to gunpowder on account of its smokeless combustion. It is an important constituent of cordite.

GUNJAH.—A preparation from the flowering tops of hemp, resembling bang (*qv*) in its properties and effects. It is obtained from a small district in Bengal.

GUN METAL.—This is an alloy composed mainly of copper and tin, to which are sometimes added small quantities of lead and zinc. The most usual proportion of copper to tin is 90 to 10, but frequently this quantity of tin is exceeded, and may be as much as 18 per cent. Its casting requires extreme care. Formerly used almost exclusively for ordnance, it is now mainly employed in making castings for engineering purposes.

GUNNY BAGS.—Coarse, strong bags made of jute sacking, and used for packing wool, grain, seed, and salt. They are much in demand, and are largely exported from Bengal, and other parts of India to the United States, Australia, and the Straits Settlements. Dundee manufactures a similar article.

GUNPOWDER.—Dark brown or slate-coloured mixture of nitre, charcoal, and sulphur, in proportions varying according to the purpose for which it is required. For shooting, game, etc., the percentages are 77, 14, and 9 respectively, while a larger quantity of nitre and correspondingly smaller quantities of charcoal and sulphur are used for military weapons. For blasting purposes more charcoal and less nitre are required. These two

ingredients form the explosive mixture, the sulphur being added to and the combination at a lower temperature. It is important that all the constituents should first be freed from impurities. They are then separately ground to a fine powder, sifted, and mixed in a revolving drum, after which they are reduced to meal and compressed into a cake, which is granulated by various processes, according to requirements. India supplies most of the nitre, the sulphur comes from Sicily, and the charcoal from Holland and Germany, the wood used in its preparation being dogwood, alder or willow. Except for the fact that Great Britain supplies her oversea dominions, there is little trade in the finished product, as the various countries supply their own demands in this respect.

In recent years the Germans had succeeded in cheapening the manufacture of gunpowder by the use of coke derived from lignite in substitution for the more expensive charcoal.

GUNPOWDER AND EXPLOSIVES.—These substances are governed by the Explosives Act, 1875, and the Explosive Substances Act, 1883, and a multitude of rules and regulations made thereunder. Petroleum and similar substances are also subject to legislative provisions, the discussion of which, however, would lie beyond the limits of the present article. As the object and purport of the two statutes above-mentioned is not uniform, it is proposed to discuss them separately.

A. Explosives Act, 1875. (1) *Gunpowder.* Gunpowder may not be manufactured, except at a factory either licensed under the Act, or lawfully existing at the passing of the Act, and registered as such within three months thereafter, any manufacture at an unauthorised place being punished by forfeiture of the gunpowder and ingredients and a fine not exceeding £100 per day. The Act also deals with the storing of gunpowder, forbidding it to be kept, except in the factory where it is lawfully manufactured, or in a magazine or store either licensed under the Act or lawfully existing, or in premises registered for keeping gunpowder under the Act. Gunpowder which is kept in an unauthorised place is liable to forfeiture, and a penalty not exceeding 2s. for every lb. of such gunpowder is imposed on the occupier and the person keeping the gunpowder. These provisions, however, do not apply to a person keeping, for his private use and not for sale, gunpowder not exceeding in weight 30 lbs. or to the keeping of gunpowder by a carrier who is lawfully carrying it, in accordance with the provisions of the Act.

A new factory or magazine is not to be established except by licence under the Act. Application for such a licence is made to the Home Office, and must contain full particulars of the premises and mode and conditions of manufacture. The Home Office do not at once grant a licence, but, if inclined to consider the application favourably, allow the applicant to apply to the local authority for their assent. The local authority then advertise and hear the application, and, if they assent, the Home Office confirms the licence. Factories and magazines are subject to provisions of extreme stringency, having for their object the reduction to a minimum of the risk of explosion. A licence may require amendment, and, if so, this can be granted by the Home Office without any approval by the local authority being obtained. A licence is not voided by a change of the occupier of the factory or magazine, but notice of any change of occupancy

must be sent to the Home Office within three months after its occurrence. The Act then deals with the storage and keeping of gunpowder, and there are certain distinctions between premises to be used for storage of gunpowder and those on which it is to be kept for sale. In the case of a gunpowder store, application is to be made to the local authority for a licence, and such licence may be granted if the site, construction of store, and amount of gunpowder are in accordance with Orders in Council on the subject. The licence specifies the amount of gunpowder to be stored, and is only valid for the person named in it; but is, nevertheless, renewable annually as of right, unless the circumstances have so changed that a new licence would not be granted. In the case of premises for the keeping of gunpowder (i.e., keeping for purposes of retail dealing), registration is with the local authority, as before. Thus registration, like the storage licence, only avails for the person registering, but the Local Authority have no discretion as to the grant of the licence, and must renew on payment of an annual fee. The Act also lays down rules as to premises so registered for keeping gunpowder; and, in particular, enacts that the amount of gunpowder to be so kept shall not exceed—

(a) If kept in a detached and properly constructed building, 200 lbs.;

(b) If kept in a fireproof safe in a dwelling-house, 100 lbs.;

(c) If otherwise kept in a dwelling-house, 50 lbs.

The sale, hawking, or exposure of gunpowder in the streets is forbidden, nor must it be sold to a child under thirteen, and if it is sold in quantities exceeding 1 lb., it must be packed and marked as gunpowder in manner directed by the Act.

The conveyance, loading, and unloading of gunpowder is governed not only by the Act and regulations, but also by by-laws made in pursuance of it by railway and canal companies and harbour authorities.

(2) *Explosives other than Gunpowder.* The word "explosive" is defined by Section 3 of the Act to mean "Gunpowder, nitro-glycerine, dynamite, gun cotton, blasting powders, fulminate of mercury, or of other metals, coloured fires, and every other substance, whether similar to those above-mentioned or not, used or manufactured with a view to produce a practical effect by explosion or a pyrotechnic effect," and it is to include "fog-signals, fireworks, fuses, rockets, percussion caps, detonators, cart-ridges, ammunition of all descriptions, and every adaptation or preparation of an explosive as above defined." Explosives are, generally speaking, subject to the provisions above-mentioned with regard to gunpowder; but for the maximum amount which may be kept for private use and not for sale, or in a store or exposed for sale, other than in a substantial box, case, etc., there are substituted in the case of explosives the following amounts, viz.—

(a) If the explosive consists of safety cartridges made of gunpowder, five times the amount allowed for gunpowder.

(b) In the case of any other explosive, the "prescribed amount," i.e., the amount from time to time prescribed by the Home Office.

Two or more descriptions of explosives are not (except in certain prescribed cases) to be kept in the same store or registered premises, and if any explosive other than gunpowder is allowed to be kept in the same store, magazine, or registered

premises as a supply of gunpowder, the maximum total allowed to be kept there shall be the same as if the whole of the stock were gunpowder. The Act imposes with respect to the importation from abroad of either dynamite or gun-cotton, or any explosive (except gunpowder and gunpowder-cartridges, percussion caps, fireworks, and any prescribed explosive), provisions requiring any person importing them to have an "importation licence" from the Home Office, and forbids owners and masters of ships to deliver to anyone who does not possess such a licence. The Act gives power to the Crown, by Order in Council, either to forbid or to subject to restrictions, the manufacture of or dealing with any explosive of so dangerous a character that such order is expedient. In pursuance of the powers in this Section, Orders in Council have been made relating to fireworks containing sulphur or phosphorus mixed with chlorates.

The use of dangerous explosives in coal mines is regulated by Orders in Council made in pursuance of the Coal Mines Regulation Act, 1896.

It will be seen that fireworks are, in general, within the scope of the Act, but small firework factories are also subject to special provisions. Any person may apply to the local authority for a small firework factory licence, the application being made at the time and place appointed by the authority, and giving the name, address, and calling of the applicant and full particulars of his proposed factory. On being satisfied that the application accords with the Order in Council regulating small firework factories, the local authority are to grant the licence on payment of a fee not exceeding 5s. The licence is only valid for the person named in it, and as to its renewal, expiration, etc., is governed by similar provisions to store licences. A factory is not to be deemed a small firework factory for the purpose of the Act if there is upon the same factory, at the same time—

(a) More than 100 lbs. of any explosive other than manufactured fireworks and coloured fires and stars, or

(b) More than 500 lbs. of manufactured fireworks, either finished or partly finished, or

(c) More than 25 lbs. of coloured fires or stars, not made up into manufactured fireworks.

(3) *Administration of the Act and Miscellaneous Matters.* The Act is administered centrally and locally. The Home Office is the authority for central administration, and has power to appoint inspectors under the Act, and determine their salaries and conditions of office. No person interested in the explosives trade or holding any patent connected with explosives may act as an inspector under the Act. The inspectors are given power to make such examinations and inquiry as may be necessary to ascertain whether the Act is complied with, and for that purpose an inspector may, at all times, by day and night, enter and inspect factories, magazines, and stores of explosives, and any premises registered under the Act, and require the occupier of any such premises to give him samples; and the occupier and his agents and servants are to furnish the means required by the inspector as necessary for such entry, inspection, examination, and buying, very heavy penalties being imposed for obstructing an inspector. Inspectors not only have power to inspect as to compliance with the Act, but also to require the occupier to remedy anything in the premises, or any practice there carried on, which is unnecessarily dangerous or defective, so as to

endanger the public safety or the safety of any person. The reasonableness of any such requisition may be decided by arbitration, and no person is to be precluded by any contract (e.g., a structural covenant in a lease) from complying with a requisition or an award in respect thereof. In addition to these powers of the Home Office, the Board of Trade may, by order, direct railway, canal, or merchant shipping inspectors to inquire into and supervise the observance of the Act. Notice of all accidents must be sent to the Home Office, and if any portion of the building is destroyed by such accident, it must not be reconstructed or any explosive stored therein without the permission of the Home Office. Provision is also made for Home Office representatives at inquests on the deaths of persons caused by the explosion of any explosive, or by any accident in connection with an explosive, and for inquiry into accidents and formal investigation in serious cases. The local administration of the Act is in the hands of the local authority, that is to say:

(a) In the City of London, the court of the Lord Mayor and aldermen;

(b) In London, outside the City, the London County Council;

(c) In any non-metropolitan borough not assessed to the county rate (and in other cases by order of the Home Office), the mayor, aldermen, and burgesses;

(d) In any harbour, the harbour authority, to the exclusion of any other local authority; and

(e) In any other place, the justices in petty sessions.

Local authorities are to carry out all the powers previously mentioned as vested in them, and any officer authorised by them has a right to inspect premises on showing his authority.

The local authorities are also empowered by the Act to provide magazines, and harbour authorities and canal companies may provide carriages, ships, and boats for the conveyance, loading and unloading of explosives.

Mention has already been made of the rights of entry and inspection possessed by inspectors, whether employed by Government or a local authority, but the Act also provides for general powers of entry and search (if necessary, by force) by Government inspectors and the officers and constables of local authorities, the latter being authorised by warrant.

Such officials have also power to seize goods which they consider liable to forfeiture, and to hold them pending decision of the court.

The penalties imposed by the Act are severe, and the court, if it considers that any offence, punishable by fine, was reasonably calculated to endanger the safety of the public or those employed, or to cause a dangerous accident, and was committed wilfully by the person accused, or by negligence of the person accused, may inflict imprisonment for a period not exceeding six months, with or without hard labour. All offences under the Act may be prosecuted, penalties recovered, and forfeitures inflicted, either on indictment or before a court of summary jurisdiction. The person charged may object to be tried summarily if the penalty for the offence with which he is charged exceeds £100; and if the fine inflicted, by a court of summary jurisdiction exceeds £20 an appeal lies to quarter sessions.

B The Explosive Substances Act, 1883. As a preliminary to the consideration of this Act, it should

be mentioned that the Offences against the Person Act, 1861, made it felony, punishable by penal servitude for life, or not less than three years, to destroy any building by explosion with intent to commit murder or unlawfully and maliciously to cause grievous bodily harm to another by explosion, while the Malicious Damage Act, 1861, imposes a similar penalty for unlawfully and maliciously causing an explosion with intent to destroy or damage a dwelling-house in which any person is, whereby the life of any person may be endangered. The present statute is aimed at the more effectual suppression of outrages, and, in the first place, creates several new offences—

"(a) Unlawfully and maliciously causing explosion likely to endanger life or cause serious injury to property, whether such injury is actually caused or not. Felony, punishable by penal servitude for life or not less than three years, or imprisonment with or without hard labour for not exceeding two years.

"(b) Attempting to cause explosion or making or keeping explosives with intent to endanger life or property, whether any such explosion or injury results or not. Felony, punishable with penal servitude not exceeding twenty years or imprisonment, as in (a).

"(c) Making explosives or having them in one's possession under suspicious circumstances. Felony, punishable with penal servitude not exceeding fourteen years, or imprisonment as in (a)."

In respect of all the above crimes, accessories (*q.v.*) are punishable as principals.

GUNS, SALE OF.—The Gun Licence Act, 1870, required every person using or carrying a gun, otherwise than within a dwelling-house, or the curtilage thereof, to have an excise licence, but the Act excepted gunsmiths or their servants carrying guns in the ordinary course of trade or by way of testing, or regulating their strength or quality, in a place specially set apart for the purpose. The sale of all classes of firearms thus remained unrestricted until the Pistols Act, 1903.

That Act defines a "pistol" as "a firearm or other weapon of any description from which any shot, bullet, or other missile can be discharged, and of which the length of barrel, not including any working, detachable, or magazine breech, does not exceed nine inches." The Act, however, does not apply to a mere toy. The Act makes it unlawful to sell by retail or by auction, or let on hire, a pistol to any person, unless such person either (1) produces a gun or game licence then in force, or (2) gives reasonable proof that he is a person entitled to use or carry a gun without a gun or game licence, or (3) gives reasonable proof that he purposes to use such pistol only in his own house, or the curtilage thereof, or (4) gives reasonable proof that he is about to proceed abroad for a period of not less than six months. In support of exceptions 2, 3, and 4, the purchaser must produce a statement signed by himself and a police inspector or superintendent of his district, or by himself and a justice of the peace. Every person who sells by retail or lets on hire a pistol shall, before delivery, enter in a book kept for the purpose particulars of the pistol,

and of the date of the sale or hire and name of the purchaser or hirer, with the particulars of his licence, or of the circumstance of his exemption. Penalties are imposed for contravention of the Act, and it is also made illegal for a person under eighteen, and not being exempt, as above-mentioned, from the Gun Licence Act, 1870, to buy, hire, use, or carry a pistol, and knowingly to sell or deliver a pistol to any such person or to a person intoxicated, or of unsound mind, is an offence under the Act.

None of the provisions of the Act applies when an antique pistol is sold as a curiosity or ornament.

GURJUN BALSAM.—An oleo-resinous substance obtained from various trees in Bengal, Burmah, and the Malacca States. It resembles copaiba balsam, and is frequently used as a substitute for it. It is sometimes applied in skin diseases, such as eczema, and is also useful as a varnish. Another name for this article is wood oil.

GUTTA-PERCHA.—The exudation of many species of trees found principally in Sumatra, Borneo, Ceylon, and the Malay Peninsula. It began to be of practical use towards the middle of the nineteenth century. The milky juice obtained from the stripped bark hardens rapidly on exposure to the air, and assumes a brownish-red colour, mainly owing to the presence of impurities. On being heated, it softens again, and can be spread out into sheets. It is purified and kneaded by powerful machinery before it is ready for use. Gutta-percha resembles indiarubber but lacks its flexibility. Its uses are various. It is mainly employed as a covering for telegraph wires and for other insulating processes, owing to the fact that it is a non-conductor of electricity. Its lack of durability is, however, a great defect. As it is very resistant to acids, it is used for pipes and other receptacles in chemical works. Golf balls, tubing of all sorts, belting, pump-buckets, artificial gums for false teeth are among the other articles made from it, and it is also employed for soleing boots. A useful cement is obtained from a solution of gutta-percha in bisulphide of carbon. The trees were originally felled by the natives to procure the exudation, and this wasteful process led to a shortage of supplies. The present method permits of uninterrupted growth, as the bark is stripped in sections.

GUZ.—(See FOREIGN WEIGHTS AND MEASURES.—PERSIA.)

GYPSUM.—A mineral composed of sulphate of lime and water. The pure white, marble-like variety is called alabaster, and is used in carving vases, statuettes, etc., though its softness is a great drawback. The fibrous variety is known as satin spar, from its satiny appearance; and scelerite is the name given to the smooth, transparent, and crystallised kind which is occasionally used by opticians. Though usually white, gypsum may be red or brown in colour, owing to the presence of iron. Plaster of Paris is obtained by burning gypsum and grinding it to a powder, which, when mixed with water, sets immediately into a fine, white solid, extensively employed by sculptors. Crushed gypsum is used as a manure. Gypsum is found in the Midlands and in Cheshire, and in the Great Salt Lake of Utah.

H.—This letter occurs in the following abbreviations—

H M C., His Majesty's Customs.
H.M.S., His Majesty's Service, or Ship.
H O., Head office.
H P., Horse power.
H P.N., Horse power nominal.
Hhd., Hoghead.

HABEAS CORPUS.—Latin: "Bring up the body." A writ of *habeas corpus* in English law is one which directs a person who holds or detains the body of another to bring him up before the court, so that it may be seen whether the detention is legal or not. By this means, if there is any irregularity in the proceedings, a prisoner is either brought to speedy trial or released. It is not only applicable to criminal law, but also to certain civil matters, where parents are seeking to regain the custody of their children, husbands of their wives, etc.

The Habeas Corpus Act, 1679, has always been looked upon as one of the great bulwarks of English liberty, although, in fact, it did nothing more than extend one of the provisions of the Great Charter of 1215.

Any failure to obey the writ renders the person in default liable to severe penalties.

HABERDASHERY.—Various small wares, such as tapes, threads, buttons, fringes, etc. In statistics it is classified with embroidery and needlework. It is generally treated as a branch of the drapery trade.

HAEMATITE.—An important iron ore, so-called because it is blood-red when pulverised. It consists chiefly of peroxide of iron. A fibrous variety occurring in kidney-shaped masses is found in Cumberland and Lancashire. Another variety is known as specular iron ore, owing to the brightness of its surface and its consequent power of reflection. This also occurs in the North of England, but the best is found in Elba. Haematite is also obtained from North Europe, North America, and Brazil. It is much used in preparing the purest form of iron, and the demand for it has increased since the introduction of the Bessemer process for manufacturing steel. Haematite is used in burnishing jewellery, in stone cutting, and as a colouring substance. An impure variety acts as a substitute for sandpaper on match boxes.

HAIR.—A considerable import trade is done in human hair. The coarse variety obtained from China and India is worked up into bracelets, watch-guards, etc., while the finer qualities imported from Europe are used by the hairdresser and wig-maker. The fair hair is obtained from Norway, Sweden, and Germany, while the darker colours come from France and Italy.

HAITI (or HAYTI).—Haiti, the second largest of the West Indian Islands, lies between Cuba and Puerto Rico, from which it is separated by the two most frequented channels leading into the Caribbean Sea, the Windward Passage, and the Mona Passage respectively. Politically, it is divided between the French-speaking republic of Haiti in

the west, and the larger though less densely peopled republic of San Domingo in the east, where Spanish is the prevailing language.

The island is traversed from east to west by several parallel ranges of mountains, and contains the highest point in the West Indies (Loma Tina, 10,300 ft). Between these ranges lie broad, fertile, and well-watered valleys. The climate is tropical, the dry season being from December to April, while the rainy season reaches its height in October.

THE REPUBLIC OF HAITI. The Republic of Haiti has an area of 10,200 square miles, and a population variously estimated at a little over 2,000,000.

The principal occupation is agriculture, the climate and soil allowing all tropical plants to grow well; but there is great mineral wealth which is only just being touched. Copper is actually worked to a small extent, and there are proposals for developing coal and iron ore. Gold, silver, antimony, tin, nickel, sulphur, kaolin, and gypsum are also known to exist in considerable quantities.

The principal crops are coffee, cocoa, cotton, sugar, tobacco, and hemp (pita). The forests yield logwood, which forms one of the leading exports.

Tobacco and rum are manufactured for local consumption, but the other industries are unimportant.

Commerce and Commercial Centres. Most of the trade is with the United States, Britain, and France.

Coffee and cocoa are exported to France, logwood and pite to the United States. Other exports are cotton and cotton seed, lignum vitae, logwood root, timber, and copper. The principal imports are cottons, sacks, iron goods, and machinery, Britain supplying most of the cottons.

The capital, *Port au Prince*, on a fine harbour, has a population of 100,000. Other towns are *Cape Haïtien* (30,000), *Gonaïves* (13,000), *Les Cayes* (12,000), and *Port de Paix* (10,000).

There is only one railway working, and that has but little traffic.

People, History, Language, and Government. Originally a French colony, Haiti became a republic in 1804, the form of government, however, is generally that of a military dictatorship. Nine-tenths of the people are negroes, and the rest mulattoes, with the exception of about 200 Europeans.

The official language is French, but the bulk of the people use a debased form known as Creole French.

There is a regular weekly mail service to Haiti via Southampton. The time of transit is fifteen days.

THE REPUBLIC OF SAN DOMINGO. The Republic of San Domingo, occupying the eastern portion of the island of Haiti, has an area of 18,045 square miles, and a population of about 700,000 inhabitants.

As in Haiti, the principal industry is agriculture, the chief crops being sugar, cocoa, bananas, tobacco, coffee, and cotton. The forests yield logwood, mahogany, and other valuable woods. Copper and salt are the only minerals worked, but gold, silver,

mercury, tin, asbestos, petroleum, and other valuable minerals are known to exist.

Commerce and Commercial Centres. The United States and Germany are the chief countries with which trade is carried on, the next in importance being Britain and France. The leading exports are cocoa, sugar, tobacco, bananas, and coffee, and the imports cotton goods, iron goods and machinery, rice and provisions.

The capital is *San Domingo*, on the Ozama river, with a population of 25,000. The chief port is *Puerto Plata*, on the north, with 15,000 inhabitants. Other large towns are *Maores* (15,000) and *Sancti Spiritus* (12,000).

People. San Domingo became a republic in 1844. The bulk of the people are mulattoes, whose language is Spanish, although a few on the east speak English of a sort. A large part of the local trade is in the hands of Turks and Syrians.

Mails are despatched every Wednesday and Saturday via the United States. The time of transit is seventeen days.

For map, see *WEST INDIES*.

HAKE.—A fish of the cod family, found in the Atlantic Ocean and in the Mediterranean Sea. It is an important product of the British fisheries, and is used for food, both in its fresh and dried state.

HALFA.—(See *ATIFA*.)

HALF-COMMISSION MEN.—In connection with the Stock Exchange there is a large number of men who are neither brokers nor jobbers, but have their own circle of friends and acquaintances, who form a considerable *clientele*. Such individuals frequently work in conjunction with a broker or firm of brokers, who give them office room and pay them half the commission earned on all the business introduced. On the other hand, the half-commission men usually have to bear half of any loss that may arise through their introductions. Some of these individuals make very handsome incomes.

HALF-NOTES.—When it is desired to send money by post, in addition to the other various methods adopted, the transmission is made by means of bank notes. But if a bank note is stolen there is often no remedy. To avoid this, notes are sometimes cut in halves, and the second half is not despatched until it is known that the first half has arrived in safety. The recipient then joins the parts by means of gummed paper, and the note is put into circulation. Until the second half is sent, the sender is the owner of the whole note.

HALFPENNY.—A bronze coin, the half of a penny. Its standard weight is 87.50000 grains troy. The diameter of the coin is exactly 1 in. (See *COINAGE*.)

HALF-SOVEREIGN.—The standard weight of this coin is 61.63723 grains troy, and its standard fineness is eleven-twelfths fine gold and one-twelfth alloy. It ceases to be legal tender when its weight, through wear and tear, falls below 61.125 grains troy. (See *COINAGE*.)

HALIBUT.—The largest flat fish. It abounds in the Northern seas, but is rarely found south of the English Channel. Dried halibut, like smoked haddock, is exported to South Europe. In Greenland an oil is extracted from the fish.

HALL MARK.—The mark which is placed upon jewellery and plate at the Goldsmiths' Hall or the Assay Office to show its quality and to indicate also the year of the marking.

HAM.—A name usually restricted to the cured hind legs of hogs. The meat is rubbed with a mixture

of salt and saltpetre, and steeped in brine, after which it is drained and hung up to dry. "Smoked" ham, which is noted for its flavour, is obtained by hanging the ham over a fire of non-resinous wood. Wiltshire, Yorkshire, and many other parts of Great Britain produce cured hams, but the home supplies are supplemented by large imports from the United States, especially from Chicago; while the best hams come from Belfast and Westphalia.

"HAMMERED."—When a member of the Stock Exchange is unable to meet his obligations, the fact of his default is publicly announced upon the Exchange to the other members, after attention has been called by striking the rostrum with three blows by a wooden hammer. The name of the defaulter is then added to the list of members who have been expelled or suspended owing to their inability to meet their liabilities. This process is commonly known as "hammering," and the defaulter is said to be "hammered." The estate of the member is then dealt with according to the rules of the Stock Exchange, and if the assets realise sufficient to pay 10s in the £, so far as his Stock Exchange liabilities are concerned, the member who has been suspended may apply for re-admission.

HAND AND SEAL.—At the end of many deeds, the words "as witness our hands and seals" are generally found. These words refer to the signatures and the seals which follow. The word "hand" originally meant an actual impression in ink, upon the deed, of the person's hand.

HANSEL.—Another name for earnest money, or money paid to bind a bargain.

HANGING SIGNS.—If a sign or advertisement of any kind is suspended in a public thoroughfare, it may be dangerous to life and limb, either because it is hung too low, or is out of repair, or is insecurely fastened, or projects too far, or by its colour, shape, or movement is liable to startle nervous horses.

The public have the right to use the highway with as much safety as human prudence can insure. Therefore, if a person negligently suspends a sign in a thoroughfare, and by such negligence causes harm to a passer-by, he must be made to suffer. Whatever is of the nature of an obstruction to the free and safe use of the highway, whether the highway be a street, road, lane, alley, or passage, is considered to be a nuisance at common law, or is made a nuisance by statute.

The local authorities, who have the duty of regulating hanging signs or advertisements, derive their authority from the Towns Improvement Clauses Act, the Public Health Acts, the Local Government Acts, and other statutes. The local authorities are the police, city councils, town councils, urban district councils, and rural district councils when they possess urban powers. A reference to the article *GRATINGS AND COAL HOLES* will inform the reader that a hanging sign may consist of a projecting window, window sign, sign-post, sign iron, showboard or any other obstruction or projection which may be an obstruction to the safe and convenient passage along any street.

The local authority may give notice to the owner or occupier to remove any obstruction which interferes with the safety and comfort of the public. If the owner or occupier fails to obey the notice, he will be liable to be fined. Or the local authority may remove the obstruction or nuisance themselves and may charge the expenses to the owner or the occupier.

HANSARD.—The official record of the proceedings of the Houses of Parliament. It is a very full account of everything of importance which takes place, and the speeches of the different members are given at varying lengths, according to the importance of the positions occupied by them. The question of the length of the reports is arranged by special contract. The name is derived from Luke Hansard, who was born in 1752. He was a Norwich man who established a large printing business, and he published the journals of the Houses of Parliament from 1774 until his death in 1828. His name has now become indissolubly associated with the reports ever since his day.

HANSE.—The real meaning of the word is a league or confederacy. The name was applied in ancient times to certain commercial cities in the north of Europe which combined together for defence in the thirteenth century. The last three of these cities, known as Hanse Towns, were Hamburg, Bremen, and Lübeck, which were eventually incorporated into the German Empire. It is improbable that they will be dissociated from Germany under the constitution set up after the war.

HARBOUR.—A haven in which ships can anchor. A harbour is a place which is only partly enclosed, and is thus distinguished from a dock, which is wholly enclosed.

HARBOUR DUES.—Payments which have to be made by ships for entering certain harbours and using landing stages, etc.

HARBOUR MASTER.—The public officer who has control and charge of a harbour.

HARD CASH.—This is a term often applied to coins as distinguished from bank notes, which are sometimes spoken of as "soft money."

HARDWARE.—A comprehensive name for articles of brass, iron, copper, etc., especially ironmongery. The competition of Germany and the United States is severely affecting the English industry, of which the chief seats are Birmingham, Sheffield, and Wolverhampton.

HARE.—Though this rodent is common in Europe, the import trade of Great Britain is done with the United States and Canada, which send large numbers of skins annually.

HARTSHORN.—The shavings of the antlers of the red deer, from which numerous products are distilled. The most important is spirits of hartshorn, but the name now stands for a solution of ammonia.

HASHISH.—(See BHANG.)

HATCHWAY.—The opening in the deck of a ship which gives access to the hold.

HATS.—Straw, cloth, felt, or silk are the usual materials employed in the manufacture of hats, though other materials are used in millinery. The tall silk hat was introduced from France towards the middle of the nineteenth century. Several processes are involved in its manufacture. The body of stiffened calico or cork is first prepared on a block, covered with a kind of varnish, and lined. The covering of plush is next added, the bands are shaped, and the article is lined, and finished with silk binding. Opera hats are made on a collapsible mechanical frame, and corded silk or merino replace the silk plush. Felt hats are manufactured principally in the neighbourhood of Manchester. The fur of rabbits and beavers is the material most frequently employed, but camels' hair and wool are used for the finest and coarsest varieties respectively.

Great Britain does a large export trade in hats, particularly in felt hats from Manchester and straw hats from Bedford. Canton and Tientsin also supply the straw variety, while Lyons and Metz provide the plush for silk hats. New York and Paris are other centres of the hat trade.

Panama hats are dealt with separately.

HAULAGE.—The exclusive charge made by railway, dock, and canal companies for the use of carriages and trucks, the use of a line of rails, or the drawing of loaded or empty trucks or wagons from one point to another. It does not cover the services of loading and discharging the trucks.

HAVAS AGENCY.—This is the great French news distributing organisation, its proper name being the Agence Havas. It was really established by Charles Havas in the early part of the nineteenth century, when Napoleon gave him authority to send despatches from the army to the newspapers which were then in existence in France. Its modern development dates from 1835. In 1879 the Agency was converted into a limited company with a capital of between 8,000,000 and 9,000,000 francs.

HAVEN.—An inlet of the sea, or the mouth of a river where a ship can obtain a good anchorage.

HAWKERS.—A hawker is generally defined as a person who travels with a horse or other beast of burden, and goes from place to place or to other men's houses carrying to sell, or exposing for sale, any goods, wares, or merchandise, or carrying or exposing samples of goods, wares, or merchandise to be afterwards delivered. But this definition now requires extension. It seems to include any person who travels in any fashion to a place in which he does not usually reside or carry on business, and there sells or exposes for sale any goods, wares, or merchandise at any house, shop, room, booth, stall, or other place hired or used by him for that purpose.

There are several nice points to be considered which have been raised at different times as to who is and who is not a hawker. Thus, if a man goes round with a horse and van to deliver goods in accordance with a previous contract of sale, he is not a hawker. And the same thing is true if he delivers goods in pursuance of a previous order to send goods on approval. But if he takes goods about to find customers for them he would not escape from his liability to take out a licence merely by calling upon certain specified customers and not generally upon members of the public.

By the Hawkers Act, 1888, a man is brought within its provisions if, for instance, he habitually travels about with a horse and cart carrying, e.g., a cask of oil, and calls at customers' houses in compliance with their request, and there delivers oil without having received previous orders for any specified quantities.

Hawkers may not hawk gunpowder, nor deal in spirits or other intoxicants, nor hawk tobacco or snuff. They cannot hawk petroleum, unless they are licensed petroleum sellers, nor postage stamps, unless they are servants of the Post Office; nor gold or silver plate, without an additional licence. These enactments are laid down by various Acts of Parliament.

A hawker is compelled to take out an excise licence, which costs £2 per annum. This licence is granted on the production of a certificate of fitness signed by a justice of the peace of the place where the hawker resides, or by certain other persons specified in the Act of 1888. It is an offence for

any person to act as a hawker without a licence, or to refuse to produce it for inspection on demand. Hawking without a licence is punishable by a fine of £10, and the forging of a hawker's licence renders the offender liable to a penalty of £50.

The following classes of persons are exempt from the necessity of taking out a licence—

- (1) Sellers of victuals, this word "victuals" being extended to include everything which constitutes an ingredient in any food consumed by man. (This exemption, however, may be subject to any local Act dealing with the trading of a particular market or place.)
- (2) Commercial travellers or other persons, selling or seeking orders for goods to or from dealers therein, who buy to sell again.
- (3) The makers of any goods, or their servants, etc., usually residing with them, selling or seeking orders for goods manufactured by such makers.
- (4) Dealers in coal.
- (5) Persons selling or exposing for sale goods or merchandise in a public market or fair. This exemption also may be subject to local provisions.

A hawker is liable to a penalty of £10 if he fails to exhibit his name and the words "licensed hawker," in legible characters, on every box, package, etc., used by him, and on any vehicle which he requires for his trading, and on any handbills he distributes, and on any rooms occupied by him for sale purposes.

An officer of the Inland Revenue or a police-constable may arrest any person hawking without a licence, or even a licensed hawker if he refuses to produce his licence. The offender may then be summarily dealt with before a local justice of the peace, and if he fails to pay the fine imposed, imprisonment, with or without hard labour, may be imposed for a term not exceeding one month.

As to the difference between a hawker and a pedlar, see **PEDLAR**.

HAY.—Meadow grass dried and used as fodder. The grass is usually mixed with clover and similar plants, which improve its quality. It must be cut young before the nutritive matter has become fibrous. The weather in which the grass is cut and dried is very important, as the flavour of the hay depends on it. A load consists of 36 trusses of 56 lbs. each. Holland exports large quantities to Great Britain.

HAY, CORN, AND STRAW DEALERS.—An Act to regulate the buying and selling of hay and straw was passed in 1796. Hay and straw may only be sold in bundles or trusses within the cities of London and Westminster, and a radius of thirty miles thereof. New hay must weigh 60 lbs a truss, and old hay, 56 lbs; a truss of straw must weigh 36 lbs. A load of hay or straw must contain thirty-six trusses. New hay must not be sold for old hay; the inside contents of a truss of hay or straw must be of the same quality as the outside. The pair of bands of a truss of hay must not exceed 5 lbs in weight. Common salesmen, factors, and agents must not buy or sell hay or straw on their own account.

Within seven days after a sale of hay or straw, a just and true account of the transaction must be sent to the owner on whose account the sale was made. A register must be kept of all hay and straw sales effected in every public market. This rule does not apply to sales made by special contract, and not made in the hay and straw market. Proper scales and weights must be kept by the market

official, so that the buyer may have the hay and straw weighed. The market hours are: Between Lady Day and Michaelmas the sales end at 3 p.m., and between Michaelmas and Lady Day, 2 p.m. Hay carts must not remain in the market after 5 p.m. between Lady Day and Michaelmas, and after 3 p.m. between Michaelmas and Lady Day. Horses must not remain in the market to feed.

No person shall buy and sell again any hay or straw on its way to the market, so that it may be again bought and sold at the market. This practice is known as "forestalling" (*q.v.*). No charge must be made beyond the true price paid or agreed upon. When a quantity of hay or straw is sold in the market, no other but that actually sold must be delivered. None of the following things must be added to increase the weight: Water, sand, earth, or any other matter or thing. No salesman or driver must deliver less than the proper number of trusses sold.

If hay or straw is exposed for sale in a market place, and is not sold, it must be brought by 11 a.m. on the next market day, and not on a "bye day." No false receipt, ticket, or memorandum, must be given for any hay or straw sold. Disobedience to any rule of this statute is followed by fine, and, in some cases, by imprisonment.

In 1834 the statute law was amended as regards markets of a private character through which there is no public right of way for carriages. For such markets the following rules were repealed: The times when the market is to close, the ringing of "a large handbell"; the keeping of carts or wagons in the market after the hour named in the Act.

In 1856 it was enacted that a ticket or note must be delivered to every buyer, containing the number of trusses sold, together with the name and address of the owner. The penalty for adulteration was increased. The clerk of the market must weigh the hay or straw, if required to do so, and examine the same to see if it is free from adulteration. The clerk of the market has power to summon an offender.

The Corn Returns Act, 1882, enacts that weekly returns of the purchases of British corn shall be made, under the direction of the Board of Trade, from such towns as may be fixed from time to time; and the average price of British corn shall be ascertained from these returns. Every buyer of corn, who is required to do so, must make a weekly return on the last market day in the week, specifying the amount of each sort of British corn bought by him in the town, the price, the weight, and other particulars, and the seller. The following are held to be buyers of corn: A dealer in British corn, corn-factor, miller, maltster, brewer, distiller, carrier, merchant, clerk, or agent, who purchases British corn for sale. The particulars of the corn returns are collected by inspectors of the Board of Trade, and are by them transmitted to the Central Department. The corn returns are published at regular intervals.

HAZEL NUTS.—The fruit of a small tree of the oak family. Filberts, cob-nuts, and Spanish or Barcelona nuts are different species of hazel nuts, and another variety is exported from Turkey. The nuts are edible, and also yield an oil useful in painting and perfumery. Another oil extracted from the bark has some medicinal value, and the timber is employed for rustic seats.

HEALTH, BILL OF.—(See BILL OF HEALTH.) HEAVY LOCOMOTIVES ON HIGHWAYS.—

"Locomotive" means a locomotive propelled by steam or by power other than animal. Under the Locomotive Act, 1861, it is unlawful for the owner or driver of any heavy locomotive to drive it over any suspension bridge, or over any bridge on which a conspicuous notice has been placed, by the authority or persons liable for the repair of the bridge, that the bridge is insufficient to carry weights beyond the ordinary traffic of the district, without previously obtaining consent. This provision does not apply to light locomotives or motor cars (*q.v.*). In the Locomotives Act of 1898 (Sec. 6), there is a further power to prohibit, restrict, or regulate by by-laws the use of locomotives on any highway or bridge. All damage caused to bridges by locomotives must be made good by the owners of the locomotives. The weight of every locomotive, and the name and residence of the owner thereof, must be conspicuously and legibly affixed thereon, under a penalty of £2. If the user of a locomotive on a highway damages the road to such an extent as to cause a public nuisance, the owner may be restrained by injunction. Every locomotive on a highway must be worked according to the following rules and regulations, *viz*—

(1) Two persons must be employed in driving or attending to the locomotive

(2) In the case of any locomotive not being a steam roller, another person must be employed to accompany the locomotive in such a manner as to be able to give assistance to any person with horses or carriages drawn by horses meeting or overtaking the locomotive, and must give assistance when required.

(3) When a locomotive is drawing more than three wagons, another person must be employed for the purpose of attending to the wagons, but it is not necessary in the case of two locomotive plough engines (including their necessary gear) closely following one another to employ more than five persons in all, but one of these persons must be employed to accompany the engines and give assistance in manner thereby required.

(4) So long as the fires of a locomotive are alight, or the locomotive contains in itself sufficient motive power to move it, one person must remain in attendance whilst it is on any highway, although it is stationary.

(5) The drivers must give as much space as possible for the passing of other traffic.

(6) The whistle of such locomotive must not be sounded for any purpose whatever, nor must the cylinder taps be opened within sight of any person riding, driving, leading, or in charge of a horse upon the road; nor must the steam be allowed to attain a pressure such as to exceed the limit fixed by the safety valve, so that no steam is blown off, when the locomotive is upon the road.

(7) Every such locomotive must be instantly stopped on the person preceding the same, or any other person with a horse or carriage, putting up his hand as a signal to require such locomotive to be stopped.

(8) Any person in charge of any such locomotive must provide two efficient lights to be affixed conspicuously, one at each side on the front at the same.

(9) The lights required to be carried on a locomotive, whether stationary or passing on any highway, must be carried between the hours of one hour

after sunset and one hour before sunrise during the six months beginning the first day of April in any year, and between sunset and sunrise during the six months beginning the first day of October in any year; and there must be carried, in addition, during those hours, an efficient red light on the rear of the locomotive, or, if it is drawing wagons, on the rear of the last wagon, fixed in such a manner as to be conspicuous.

(10) Every light carried on a locomotive, or on a wagon drawn by a locomotive, must be fitted with such shutters or other contrivances as will enable the light to be temporarily screened in an effective manner.

(11) In the event of a non-compliance with any of the above provisions, the owner of the locomotive is, on summary conviction before two justices, liable to a penalty of £10.

Under Section 28 of the Highways and Locomotives Act, 1878, a locomotive not drawing any carriage, and not exceeding in weight 3 tons, must have the tyres of the wheels thereof not less than 3 in. in width, with an additional inch for every ton or fraction of a ton above the first 3 tons. A locomotive drawing any wagon or carriage must have the tyres of the driving wheels thereof not less than 2 in. in width for every ton in weight of the locomotive, unless the diameter of such wheels exceed 5 ft., when the width of the tyres may be reduced in the same proportion as the diameter of the wheels is increased, but in such case the width of the tyres must not be less than 14 in. A locomotive must not exceed 9 ft. in width or 14 tons in weight, except under certain circumstances. The driving wheels of a locomotive must be cylindrical and smooth-soled, or shod with diagonal cross-bars of not less than 3 in. in width nor more than three-quarters of an inch in thickness, extending the full breadth of the tyre, and the space intervening between each such cross-bar must not exceed 3 in. A local authority may give permission to any person owning a locomotive exceeding 9 ft. in width or 14 tons in weight to use it on any highway within their district.

Section 4 of the Locomotive Act, 1861, provides that any wagon, wain, cart, or other carriage drawn or propelled by a locomotive, not having cylindrical wheels, must not carry any greater weight than is permitted in such wagon, cart, etc., by the General Turnpike Act, and any wagon, wain, cart, or other carriage having cylindrical wheels must not carry over or above the weight of the wagon, etc., any greater weight than 1½ tons for each pair of wheels, unless the felloes, tyres, or shoes are 4 in. or more in breadth; nor carry a greater weight than 2 tons for each pair of wheels, unless the felloes, tyres, or shoes are 6 in. or more in breadth; nor carry a greater weight than 3 tons for each pair of wheels, unless the felloes, tyres, or shoes are 8 in. or more in breadth; and for every single wheel one-half of that permitted to be carried on a pair of wheels; nor in any case is it lawful to carry a greater weight than 4 tons on each pair of wheels, or 2 tons on each wheel. But if such wagons, etc., are built and constructed with springs upon each axle, then they are allowed to carry one-sixth more in weight, in addition to the above-mentioned weights, upon each pair of wheels.

The table of weights allowed to wagons, carts, and other carriages, in winter and summer, by the General Turnpike Act, 1822 (3 Geo. IV, c. 126, s. 12), is given on the following page

TABLE OF WEIGHTS

	Summer :		Winter :	
	May 1st to Oct. 31st		Nov 1st to April 30th.	
	Tons	Cwt.	Tons.	Cwt.
For every wagon with 9-in. wheels...	6	10	6	0
For every cart (i.e., two-wheeled) with 9-in. wheels...	3	10	3	0
For every wagon with 6-in. wheels...	4	15	4	5
For every cart with 6-in. wheels...	3	0	2	15
For every wagon with wheels of the breadth of $4\frac{1}{2}$ in. ...	4	5	3	15
For every cart with wheels the breadth of $4\frac{1}{2}$ in. ...	2	12	2	7
For every wagon with wheels of less than $4\frac{1}{2}$ in. ...	3	15	3	5
For every cart with wheels of less than $4\frac{1}{2}$ in. ...	1	15	1	10

The council of a municipal borough as regards any highway situated in the borough, and the county council as regards any highway situated in the county, but not in a borough, may permit any wagons, drawn or propelled by a locomotive, on the highway to carry weights in excess of those mentioned in Section 4 of the Locomotive Act, 1861. The weight mentioned in Section 4 of the Act of 1861 does not extend to any wagon carrying one block, plate, cable, roll, vessel of stone or metal, or other single article, being of greater weight than 16 tons; but the fellyes, tyres, or shoes of such wagon must not be less than 8 in. in breadth, and any damage arising from the use of any such wagon must be deemed to be damage caused by excessive weight.

The weight unloaded of every wagon drawn or propelled by a locomotive must be conspicuously and legibly affixed thereon under a penalty of £5. A locomotive must not be used on any highway to draw more than three loaded wagons (exclusive of any wagon solely used for carrying water for the locomotive) without the consent of the borough or county council, as the case may be. The council of a county and of any borough may by by-law (a) prohibit or restrict the use of locomotives on any specified highway; (b) regulate the use of locomotives and of wagons on any highway; and (c) prohibit or restrict the use of a locomotive on any specified bridge.

Every locomotive used on any highway must be constructed on the principle of consuming its own smoke; and any person using any locomotive not so constructed, or not consuming, so far as practicable, its own smoke, is liable to a fine of £5 for every day the locomotive is used on any highway. Locomotives must not meet on a bridge. Every locomotive must be licensed by a county council, but this does not apply to any agricultural locomotive, to any locomotive not used for haulage purposes, to any steam-roller, or to any locomotive belonging

to a road authority when used by them within their district. The licence must be taken out in the county in which the locomotive is at the time ordinarily used, or to be used, and remains in force for one year from the date on which it is granted and no longer. The cost of the licence is not to exceed £10 if the weight of the locomotive (exclusive of water and coal) is not more than 10 tons, with an addition not exceeding £2 for every ton or fraction of a ton by which that weight exceeds 10 tons in the case of a locomotive exceeding that weight. The council of the county must on the grant of a licence provide the person with a licence plate, having marked upon it the date and number of the licence and the name of the council by which it is granted. The licence plate must be fixed in a conspicuous position to the locomotive, and must not be removed, whilst the licence is in force, without the consent of the council. A licence may, with the consent of the council by which it has been granted, be transferred from one locomotive to another locomotive belonging to the same owner. Where a locomotive is licensed in any county, an additional licence may be taken out in any other county in the same manner, but such additional licence expires on the same date as the original licence, and the cost of the additional licence is £5 where the locomotive does not weigh more than 10 tons and £1 for every ton or fraction of a ton exceeding 10 tons. A locomotive must not be used on any highway in any county in which it is not licensed, except on payment to the council of the county of a fee not exceeding 2s. 6d. for each day on which it is used. The penalty for a breach of any of the above provisions is a fine not exceeding £10. This licence is granted to the locomotive—not to its owner. It, therefore, passes with the locomotive and continues in force during the year, notwithstanding any number of changes in ownership.

All locomotives not required to be licensed (i.e., any agricultural locomotive, any locomotive not used for haulage purposes, any steam-roller, and any locomotive belonging to a road authority when used by them within their district) must be registered in the county in which they are ordinarily used, or to be used, in such manner as the county council may direct, and the fees for registration must not exceed 2s. 6d.; but this provision as to registration does not apply in the case of the use by any road authority of steam-rollers belonging to them within their district. If a steam-roller is used outside the district of the road authority, it must be registered.

Where, by a certificate of their surveyor, it appears to a road authority that, having regard to the average expenses of repairing highways in the neighbourhood, extraordinary expenses have been incurred by such authority in repairing such highway by reason of the damage caused by excessive weight passing along the same, or extraordinary traffic thereon, such authority may recover from any person by whose order such weight or traffic has been conducted the amount of such expenses as may be proved, to the satisfaction of the court, to have been incurred by such authority by reason of the damage, provided that any person against whom expenses are, or may be recoverable, may enter into an agreement with such authority for payment to them of a composition in respect of such weight or traffic. Expenses may be recovered, if not exceeding £250, in the county court, and, if

exceeding that sum, in the High Court. Proceedings must be commenced within twelve months of the time at which the damage has been done, or, where the damage is the consequence of any particular building contract or work extending over a long period, they must be commenced not later than six months after the completion of the contract or work.

Where an offence under any Act or by-law relating to locomotives on highways, for which the owner of a locomotive or wagon is liable to a penalty, has, in fact, been committed by some servant, workman, or other person, that servant, etc., is liable to the same penalty as if he were the owner. Where the owner is charged with any offence, he is entitled, upon information duly laid by him, to have any other person whom he charges as the actual offender brought before the court at the time appointed for hearing the charge, and if the owner proves to the satisfaction of the court that he had used due diligence to enforce the law, and that the other person had committed the offence without the owner's knowledge, consent, or connivance, that other person shall be exempt from any fine.

HEAVY STOCK.—The stock of those railways which have a heavy goods traffic.

HECTARE.—(See METRIC SYSTEM.)

HEDGES, DITCHES, AND FENCES. Owing to the law as regards trespass, especially seeing that a man is responsible for the trespass of his own cattle, it is a matter of importance to know who is the owner, and upon whom falls the obligation of repairing hedges and fences, which form the dividing lines between adjacent properties. Generally, there is no difficulty as to settling the ownership, as the property in the hedge or the fence, as the case may be, resides in the owner of the soil upon which it stands. The case is not always so easy when a ditch is in question.

In country districts, as well as in urban districts, where there are two fields or gardens adjoining, and there is a separation by means of a hedge and a ditch, the ownership of the hedge is in that person in whose field the ditch is not. Also, the ownership of the ditch is, *prima facie*, in the person who is owner of the hedge. But if there are two ditches, one on each side of the hedge, or if there is no ditch at all, the ownership of the hedge must be proved by showing what rights have been exercised by the parties in the past. For example, if one owner has regularly pruned and kept the hedge in proper condition for, say, twenty years, he will be proved to have a prescriptive right to the hedge. And the same is true with regard to a fence, and there is no difference in the law as to the ownership of a ditch, whether there is a fence or a hedge.

It has been stated above that where there is no ditch, the ownership of the fence or hedge must be shown by independent evidence. But if it is exactly on the boundary line, the question of ownership, and, consequently, the responsibility for repair, is decided by proof of acts of ownership on the part of either of the adjoining owners of the land.

The statement of the conclusion of law as to the ownership of a ditch, noticed above, is somewhat curious at first sight. The rule is said to have arisen as follows: A man cannot interfere with land or commit a trespass upon it when he is not the owner. If, then, there is a ditch, it is presumed that the digger of the same was upon his own land

and threw up the excavated earth upon his own field where the hedge was made. This is, of course, a legal presumption, but it is capable of being rebutted. After twenty years, however, a prescriptive title is gained, and no question can then arise as to hedges and ditches which have been so long in existence.

It is always the occupier and not the owner who must repair fences in the absence of any agreement to the contrary, and he is responsible for any damage which may arise through his negligence. It is not in every case that a badly kept fence will give rise to a right of action at law. The test seems to be this: Is the fence a nuisance? And even then the whole circumstances of the case must be carefully considered, especially if any injury that arises happens to infants.

A good illustration is supplied by the case of *Harrold v. Hatney*, 1898, 2 Q B 320, and the note on the same is thus given in *Shirley's Leading Cases*: "The plaintiff, a boy of the age of four years, while passing along a highway, climbed upon a fence situate upon the defendant's adjoining field and separating it from the highway, for the purpose of looking at other boys at play on the further side of the fence, and not for the purpose of climbing over it. The fence, which was so defective as to constitute a nuisance, fell upon the plaintiff and injured him. In an action to recover damages for the injury, the Court of Appeal held that, as the plaintiff in climbing upon the fence was merely indulging the natural instinct of a boy of his age, and doing an act which the defendant ought to have contemplated as likely to be done by children using the highway, the defendant was not entitled to avail himself of the defence that the injury was caused by the plaintiff's own act, and that the plaintiff was consequently entitled to recover."

HEIR.—The heir, or heir-at-law as he is often called, is the person who is entitled by law to succeed to the real estate of a deceased intestate. The eldest son and his descendants come first in order in considering who is the heir, and after him the second and the other sons in order and their descendants. So long as it is a question of male succession, there is but one person who can be heir, when there are no sons but only daughters, the daughters take as co-parceners, *etc.*, they succeed equally.

The heir-apparent is the person who is certain to succeed to an estate in land if he survives the present owner.

The heir-presumptive is the person who would succeed to the estate if the present owner were to die at once, but whose chances of succession might be destroyed by the birth of some other person who would have a prior claim.

HEIRLOOMS.—Strictly speaking, these are the personal chattels which pass on the death of the owner to the heir and not to the personal representative of the deceased, whether executor or administrator. They cannot be bequeathed or devised by will. (See FIXTURES.)

HEKTOGRAPH.—(See DUPLICATION.)

"HELD OVER."—This is an expression sometimes used in connection with cheques which are received by a banker after the daily exchange has been made. Such cheques are said to be "held over" to the following day. There is no holding over when a banker receives late in the day cheques drawn upon his own bank. They should be either paid or dishonoured on the day of receipt.

HELLEBORE.—Various species of plants of the order *Ranunculacea*. The roots (which are mainly imported from Marseilles and Hamburg) possess drastic purgative properties, and are sometimes employed in cases of dropsy, epilepsy, and mania.

HELLEL. (See FOREIGN MONIES.—AUSTRIA.)

HEMATITE.—(See HAEMATITE.)

HEMP.—The *Cannabis sativa*, a plant of West and Central Asia, but now extensively cultivated in Russia, Germany, Italy, and Manila. It is also grown in the Midlands, but the British variety lacks the resinous secretion from which the popular Indian narcotic is obtained. (See BUANG.) Hemp is mainly important on account of its fibre, which is obtained by steeping the bark in water, and is used for rope, cordage, sailcloth, etc. Hemp seed is a favourite food for birds. It also yields an illuminating oil used by Russian peasants, and of value in the manufacture of soaps, paints, and varnishes. The residue is employed as fodder.

HENBANE.—A herb common in Great Britain, and of the same order as the deadly nightshade. It contains a poisonous alkaloid, and has a very unpleasant smell. In small quantities it is used in medicine as a narcotic.

HENNA.—A small shrub cultivated in the East for the sake of the pigment obtained from its leaves, which is used to stain the finger-tips and the beard. Turkey imports large quantities from Persia and Egypt. In Germany the dye is employed to impart a reddish-yellow colour to skins and leather.

HEREDITAMENT.—A hereditament, or heritable property, is real or other property which descends to the heir and does not pass to the personal representative of a deceased person. If the word is used in a conveyance, it is sufficient, in English law, to pass almost any kind of property.

HERIOT.—In copyhold estates, there is frequently a custom in existence under which the lord of the manor is entitled to take some kind of fine on the death of the copyholder. This may take the form of a money payment, or it may be the best beast or the best piece of plate on the estate. The fine is known by the name of heriot.

HERITABLE BOND.—In Scotland, this is a bond given by a debtor for a sum of money, which includes a conveyance of land, to be held by the creditor as security for the money.

HERRING.—A small fish of the same family as the anchovy. It is found in the North Atlantic and North Pacific Oceans, but is most abundant off the coasts of Great Britain, Norway, and Newfoundland. The shoals appear at Wick in May, and gradually move southwards, Grimsby and Yarmouth being the chief English centres of the fishery; while Stornoway, Wick, Fraserburgh, Peterhead, and Aberdeen are the principal Scotch towns engaged. Herrings are cured in various ways, being smoked, salted, or kippered. There is an export trade from Britain to Germany and Russia.

HIDES.—The skins of large animals used for the manufacture of leather. The imported hides are salted and dried. In Europe the chief producing countries are Russia, Holland, Belgium, and Italy. Cow hides are chiefly imported from Australia and from South America, which also supplies horse hides, while buffalo hides are sent from India. A few heavy hides come from Africa, as well as the goat and kid skins, which are imported from the Cape. Skins dressed with the hair on are more correctly classified as furs.

HIGH BAILIFF.—This is the chief officer of the county court, appointed under the County Court Act, 1888, to attend the sittings of the court, and by himself, or by the bailiffs (*q.v.*) appointed to assist him, to serve all summonses and orders, and execute all warrants, precepts, and writs of the court, with certain exceptions provided by the Act.

HIGH COURT.—The High Court of Justice, so-called, primarily, to distinguish it from the county court, as established since the Judicature Acts, the first of which was passed in 1873, consists of three divisions: (1) The Chancery Division, (2) the King's Bench Division, and (3) the Probate, Divorce, and Admiralty Division. There are six judges of the Chancery Division, fifteen judges and the Lord Chief Justice of the King's Bench Division, and two judges, one of whom is the President of the Probate, Divorce, and Admiralty Division. (The number of the King's Bench judges was increased by two in 1910, but these additions were of a temporary character. Until a few years ago, the normal number was fourteen, but a fifteenth was added to assist in working off the great arrears of work.) The Lord Chief Justice and the President of the Probate, etc., Division, are *ex officio* members also of the Court of Appeal, and the Lord Chancellor may at any time call upon any of the other judges—the *puisne* judges—to sit in the Court of Appeal, if he thinks it necessary to do so for the more speedy administration of justice, and, similarly, the Lords Justices of Appeal may be called upon to assist in the lower courts.

Although the High Court has jurisdiction over all matters, a litigant must not rush too hastily into litigation there, as the various county courts have been invested in recent times with increased jurisdiction—extending, since 1905, to £100 in many cases—and a person who chooses the High Court when he might have proceeded in a county court runs the risk of being involved in a heavy loss as to costs, unless he can obtain a certificate from the High Court judge before whom his case is tried that his action was one which was fit to be brought in the High Court instead of the county court. There have been proposals for some years to increase the county court jurisdiction still further, but whether any further changes in this direction will take place is extremely doubtful.

The division of the High Court in which proceedings are to be taken depends upon the nature of the matter in dispute. Many matters connected with shipping, such as salvage, bottomry, and the mortgage of ships must be dealt with in the Admiralty Division, and it is to this division that all matters connected with divorce and the proving of wills are referred.

To the Chancery Division the following kinds of actions are specially assigned: (1) The administration of the estates of deceased persons; (2) the dissolution of partnerships and the taking of partnership and other accounts; (3) mortgages, with all questions relating to redemption and foreclosure; (4) the raising of portions and other charges on land; (5) the sale and distribution of property subject to any lien or charge; (6) trusts, charitable and private, and their administration; (7) the rectification of deeds, together with the setting aside and cancellation of written documents; (8) the specific performance of contracts relating to landed property; (9) the partition and sale of estates; (10) the guardianship of infants and the care of their estates. When a case is set down in

the Chancery Division it is assigned to a special judge according to rotation. This is to prevent any suitor choosing his own judge for any particular reason. The bulk of cases, however, which arise out of contract and tort are taken in the King's Bench Division, and if they are commenced in any other division they may be transferred there. For a certain class of commercial cases a separate court, called the Commercial Court, which is one of the King's Bench Division, has been established.

As to procedure in general, see ACTION; and as to appeals from the High Court, see APPEAL.

HIGH SEAS.—The expression "high seas," when used with reference to the jurisdiction of the Court of Admiralty, includes all oceans, seas, bays, channels, rivers, creeks, and waters below low water-mark, and where great ships could go, with the exception only of such parts of such oceans, etc., as were within the body of some county. "A foreign or colonial port, if it was part of the high seas in the above sense, e.g., Alexandria and Algiers, would be as much within the jurisdiction of the Admiralty as any other part of the high seas. The jurisdiction, however, is necessarily limited in its application. It can only be exercised over persons or ships when they come to this country. An artificial basin or dock excavated out of land, but into which water from the high seas could be made to flow, would not be in any sense part of the high seas, whether such basin or dock was in this country or in any other" (per Lord Justice Lindley in *The Mecca*, 1895, P. 95). It was held by the Federal Courts of the United States that the Great Lakes are not high seas, and that these words have been used from time immemorial to designate the ocean below low-water mark, and have rarely, if ever, been applied to interior or land-locked waters of any kind; but the Supreme Court of the United States has held otherwise (150 U.S. 249), saying that this term is also applicable to the open, unenclosed waters of the Great Lakes.

HIGHWAYS AND HIGHWAY AUTHORITIES.

—A highway authority is a public body which is entrusted with the charge of roads and ways over which all members of the public have a right to pass to and fro, and which has common law or statutory powers and responsibilities of maintaining them for the public benefit.

There are two kinds of highways—(1) *Ordinary highways*; (2) *main roads*; and there is a division of the highway authorities corresponding to them. Thus the authority for ordinary highways within a borough is the county borough or the borough council, and within other urban or rural districts the district council. For the main roads, the authority in a county borough or borough is the borough council, and outside their areas the county council.

The distinction between the two classes of highways has only existed since 1878, and is purely statutory. Main roads are (a) those originally turnpike roads, (b) any road declared by the county council to be a main road; (c) every road constructed by a county council out of an advance made to it by the Road Board under the Development and Road Improvement Funds Act, 1909 (9 Edw. VII. c. 47). Any road which has ceased to be a turnpike road since 1878 is a main road, and any which so ceased between 1870 and 1878 is a main road, unless it has been declared to be an ordinary highway by an order of the Local Government Board. Of all these main roads and bridges,

except those within the area of the boroughs, the county councils are the highway authorities.

The most primitive and simplest of highway authorities was the common law parish, with its vestry, which appointed a surveyor of highways. It had a liability to keep the roads in repair, and if it failed it could be indicted, and though there are various other remedies under modern Acts against the authorities liable to repair, resort to indictment still remains available. By the time of the Highway Act, 1835 (5 and 6 Will. c. 50), in very many cases, the liability had passed by custom or arrangement to almost every possible kind of area or place, each of which was a highway authority. Thus in the Highway Act, 1835, "parish" includes any township, tithing, rape, vill, wapentake, division, city borough, liberty, market town, franchise, hamlet, precinct, chapelry, or other place or district maintaining its own highways. Each such place was made by the Act a highway parish; and the vestry and its surveyor, or any meeting equivalent to the vestry which appointed its surveyor, was given a constitution by the Act, and the powers of the surveyor were defined and the law of highways improved. Some thirty years later, highway districts, with highway boards, began to be formed out of the highway parishes under power given to quarter sessions by several Highway Acts. This was a useful simplification of highway authorities; but, in 1875, the Local Government Act (38 and 39 Vict. c. 55) transferred to the newly-created urban sanitary district the powers and liabilities of the surveyors and the vestries. Three years later, by the Highways and Locomotives Act, 1878 (41 and 42 Vict. c. 77), the rural sanitary districts whose area coincided with any highway districts were enabled to take over the highway boards under orders from the justices. The guardians of the poor were the rural sanitary authorities; and they seldom availed themselves of the power conferred on them. But in 1894, by the Local Government Act (56 and 57 Vict. c. 73), the rural sanitary districts were superseded by the rural district councils, who became the highway authorities for their districts; and the highway parishes and boards ceased to exist. Thus the authorities for ordinary highways became the district councils, and for main roads the county councils.

1. District Councils. Every district council has now, under the Local Government Act, 1894, the powers, duties, and liabilities as to highways of the surveyor appointed by the vestry under the Highway Act, 1835, and of the vestry itself; as well as whatever powers were conferred upon urban sanitary authorities by certain Sections (144-148) of the Public Health Act, 1875. There are also additional powers as to highways possessed by urban district councils under the same Act, which, by an Order of the Local Government Board may be conferred upon rural district councils. The protection of rights-of-way and of roadside wastes is a public duty specially laid on the district councils. For the concurrent part played in performing this duty by the parish councils, see title PARISH COUNCILS, but parish councils are not, properly speaking, highway authorities.

2. County Councils. By the Local Government Act, 1888, the main roads and county bridges in a county are vested in the county council, and must be maintained and repaired by it, unless the urban district council elects to retain any of them under its control. The county council either maintains

and repairs the roads and bridges itself, or it may impose the duty on the council in whose district they lie, paying the cost as settled by agreement or arbitration. Where the urban district council retains a main road, it becomes, as we have before mentioned, an ordinary highway; and the county council pays an annual contribution, which is either agreed or settled by the Local Government Board. Where a main road ought to be repaired by a district council, the county council may require it to be repaired; and if this is not done, it may do the repairs itself, and recover the cost. There are cases in which there is an obligation of repairing bridges in some local district, as a hundred, and the county council has the duty of securing the proper observance of this obligation. It may enter into agreements with any district council as to making, improving, or freeing from tolls main roads or bridges, wholly or partly within its district. Also it may contribute to maintaining, repairing, enlarging, and improving any highway or public footpath in the county, though it is not a main road, and it may purchase or take over bridges not county bridges, and erect new bridges, and maintain, repair, and improve them. The costs for all these purposes are chargeable to the general county account.

HINDE PALMER'S ACT.—This was an Act of Parliament, passed in 1869, which came into force in 1870, under which the priority which specialty debts (*q.v.*) formerly enjoyed over simple contract debts in the case of the administration of the estate of a deceased person was abolished (See ADMINISTRATION OF ASSETS.)

HIRE.—This term signifies—

- (1) Wages for service; or
- (2) The price paid for the temporary use of anything

HIRE-PURCHASE.—A hire-purchase agreement generally consists of the following six elements: (1) an agreement by the owner of the chattels to let them on hire to the hirer; (2) an agreement by the hirer to hire them with the right ultimately to buy them at a fixed price payable by agreed instalments; (3) an agreement by the hirer to pay the purchase price by instalments, which instalments are regarded merely as payments for the hire of the chattels in the event of the purchase not being completed; (4) a provision that on payment of the agreed purchase price, the chattels become the property of the hirer, and until such payment, they remain the property of the original owner; (5) a provision that if the hirer makes default in punctual payment of any of the agreed instalments, or commits any other breach of the hiring agreement, or becomes bankrupt, etc., the owner may seize and re-take possession of the chattels, and put an end to the hire-purchase agreement and retain for himself all moneys received up-to-date; and (6) provisions for the protection and maintenance of the subject-matter of the agreement, e.g., an undertaking by the hirer at his own expense to keep the chattels insured against damage by fire, and to keep and maintain them in good repair and condition.

The above are the usual elements, but, as the name "hire-purchase" implies, the only essential elements are an agreement to hire, coupled with the right to purchase under certain conditions. The hirer is under no obligation to purchase, but he has the right to purchase if certain conditions are complied with, and the owner is under an obligation to sell. A very large amount of business is transacted

by means of hire-purchase agreements, especially in the supply of furniture and machinery, but besides being used for the hire and purchase of goods, they are often used as a method of borrowing on security, and questions frequently arise whether a hire-purchase agreement is not a bill of sale and subject to the statutory restrictions of a bill of sale. A document which is a hire-purchase agreement and nothing else is not within the Bills of Sale Acts at all. The title of the original owner to the chattels does not depend on the hiring agreement—he must have had a title to the goods before he purported to agree to let them out or sell them. It is only when the owner of the goods has to rely on the alleged hiring agreement as proving his title that the alleged hiring agreement may be held in law to be a bill of sale.

According to the definition clause in the Bills of Sale Acts, the expression "bill of sale" includes licences to take possession of personal chattels as security for any debt; and since there is generally a clause in a hire-purchase agreement empowering the owner to seize and re-take possession of the chattels on default by the hirer in paying the instalments and in certain other events, it is often contended that a hire-purchase agreement is a bill of sale and void because it is not registered, and is not in the form required by the Act of 1882. Thus, if A is the owner of certain furniture and requires a loan of £150 from B, but is unwilling to give B a bill of sale, he would purport to sell his furniture to B for £150, and thereupon B would pay A the £150 and at the same time agree to let out the furniture to A on the hire-purchase system, say, at four quarterly payments of £50, so that on payment of the fourth quarterly instalment (£200 in all), the furniture is to become A's property, and until payment of the whole £200 it remains B's property. In a case of this kind it is for the court or jury to decide what is the true bargain between the parties—if the real transaction is a loan upon security and the alleged hiring agreement contains a licence to seize the chattels in default of punctual payment of any instalment as it becomes due, the document is a bill of sale and void in respect of the chattels contained therein, by Sec. 8 of the Act of 1882, if not registered as a bill of sale; and if the agreement is not in the form of the Act of 1882, it is void altogether (see Sec. 9 of the Act of 1882). But although many hire-purchase agreements are mere devices for loans upon security, where the fact is clearly established that the transaction is one of hire-purchase only, no registration or compliance with any statutory form is necessary. Thus, if A really intended to sell his furniture outright to B for £150, and B paid A the £150 and asked A to allow the furniture to remain on A's premises for a fortnight until he could make arrangements for disposing of it, and if before the expiration of the fortnight A offered to re-purchase the furniture of B for £200, provided he would allow him to pay for it by four quarterly instalments of £50 each, and make use of it in the meantime, the latter arrangement would be purely a hire-purchase agreement and perfectly valid. Several other devices have been adopted to carry out a loan on security without a registered bill of sale by means of a hire-purchase agreement, e.g., a landlord distrains on A's furniture for £100 arrears of rent and sells; B buys it for £100, and lets it out on a hire-purchase agreement to A—if the transaction really was that B lent A £100 on the security of his furniture to enable him to pay his

(FACSIMILE OF HIRE-PURCHASE AGREEMENT)

THIS AGREEMENT made the 22nd day of April 19__ between John Jones of 395 Cheapside in the County of London Pianoforte Dealer (hereinafter called "the owner") of the one part and James Smith of 794 North Street Ipswich in the County of Suffolk Solicitor's Clerk (hereinafter called "the hirer") of the other part

WITNESSETH that the owner agrees at the request of the hirer to let on hire to the hirer a pianoforte No. 7898a maker Smutz and Co.

• AND in consideration thereof the hirer agrees as follows:--

1. That he will pay to the owner on the date of the signing of this agreement a sum of £1 and a further sum of £1 on the 22nd day of each month after the 22nd day of April 19__ the first of such additional sums to be paid on the 22nd May 19__.

2. That he will keep and preserve the said pianoforte from injury of all kind whatever (damage by fire included).

3. That he will keep the said pianoforte in the hirer's own custody at the address above given viz. 794 North Street Ipswich and that he will not remove the same or permit or suffer the same to be removed from the said address without the previous consent of the owner such consent to be given in writing.

4. That in case the hirer does not duly perform the conditions of this agreement the owner may without prejudice to any of his rights under this agreement terminate the hiring and retake possession of the said instrument. And for this purpose the hirer hereby gives leave and licence to the owner and his agents or servants to enter in and upon any premises occupied by the hirer or of which the hirer is tenant to retake possession of the said instrument without being liable to any suit indictment or other proceeding by the hirer or any one claiming under the said hirer.

5. That if the hiring hereby created shall be terminated by the hirer as is hereinafter provided and if the said pianoforte is returned to the owner the hirer shall remain liable to the owner for any arrears of hire up to the date of such return and shall not in any case whatever be entitled to any claim allowance credit or set-off in respect of any payment or payments previously made.

AND in further consideration thereof the owner agrees as follows :--

1. That the hirer may at any time terminate the said hiring by delivering up the said pianoforte to the owner.

2. That if the hirer shall punctually pay the full sum of £40 by instalments as hereinbefore provided viz. £1 on the date of the signing of this agreement and thirty-nine monthly instalments of £1 each on the 22nd day of each succeeding month (or if the said sum of £40 shall have been paid at a date prior to that upon which the last instalment shall fall due) the said pianoforte shall become the sole and absolute property of the hirer.

AND the owner and the hirer hereby mutually agree that unless and until the full sum of £40 is paid according to the terms hereinbefore set out the said pianoforte shall be and shall continue to be the sole property of the owner.

AS WITNESS the hands of the said parties the day and the year first above written.

(Signed) JOHN JONES

JAMES SMITH

WITNESS

THOMAS BROWN

39 Old Town Fields

Ipswich

Builder

(As to Stamp, see the article referred to.)

rent, the hire-purchase agreement is void as against a judgment creditor of A—in other words, a judgment creditor of A could seize the furniture in execution, although as between A and B the furniture is said to belong to B. If, again, A wants to buy some goods for £500 and has no money to pay for them, and wishes to borrow the money from B, who refuses to lend except upon security, and thereupon an arrangement is made that B will buy and pay for the goods in his own name, and let them out on a hire-purchase agreement to A, the court would hold that the true nature of the transaction was a loan to A on the security of the goods included in the hire-purchase agreement, and the agreement to be valid would require registration as, and must be in the statutory form of, a bill of sale.

The hire-purchase agreement does not contain a clause declaring that the goods belong to the original owner until payment of the final instalment, but gives the original owner power to seize and take possession of the goods on default in payment of any instalment, the document would be a bill of sale and require registration. In the absence of the above provision, the property in the goods would pass to the purchaser on delivery, and he would merely owe the instalments as they become due, and the licence to seize would be a licence to take possession of personal chattels as a security for a debt within the express words of Section 4 of the Bills of Sale Act, 1878.

It is very important also to have a clause in the hire-purchase agreement giving the hirer the option to determine the hiring at any moment, and providing that he is under no further liability to pay anything after the then current instalment. In the absence of a clause to this effect, the hirer would be regarded as a purchaser of the chattels, and he would also, by virtue of the Factors Acts, be able to give a good title, if he sold or pledged them, to a *bona fide* purchaser or pledgee, so that the original owner would not be able to recover them, and his sole remedy would be under the hire-purchase agreement against the hirer. The importance of this clause is very clearly shown by a comparison between the two leading cases on hire-purchase agreement, viz., *Lee v. Butler*, 1893, 2 Q.B. 318, and *Helby v. Matthews*, 1895, A.C. 471.

When the hirer of goods becomes bankrupt, the question often arises whether they still belong to the original owner or can be claimed by the bankrupt's trustee. By the Bankruptcy Act the trustee is entitled to all goods which at the commencement of the bankruptcy are in the possession, order, or disposition of the bankrupt by the consent and permission of the true owner under such circumstances that he is the reputed owner thereof. The goods above referred to are limited to goods for the purpose of or connected with the purposes of the bankrupt's trade or business. When, therefore, a trader becomes bankrupt and he has in his possession goods in the way of his trade bought under a hire purchase agreement, they become the property of the trustee in bankruptcy. There are, however, several well-known exceptions to this rule. Where there is a general well-known custom of letting out goods on hire, this doctrine of reputed ownership does not apply. Thus it is quite usual for hotels to be provided with furniture on the hire-purchase system, and if the proprietor became bankrupt his trustee could not claim the furniture for the creditors if the fact was that, according to the agreement between the proprietor, and the vendor of the

furniture, the furniture was to remain the property of the vendor until payment of the last of the instalments of the purchase price. Similarly, in the case of printing machinery let out on hire to a printer or a gas engine let out to a factory. Chattels let out on hire are liable to be seized under a distress by the landlord against the hirer, and the Law of Distress Amendment Act, 1908, though it protects to a large extent the goods of strangers, makes no alteration in the old law where the goods are hired by the tenant, but if they are hired by a person who is not the tenant of the premises distrained upon, they are now protected from seizure. Where the hirer has paid nearly all the instalments, and very little more has to be paid before he becomes the owner of the chattels, his beneficial interest under the hiring agreement may be of some value, and if an execution is levied against the hirer, the sheriff is at liberty to sell the interest of the hirer and give a good title to the purchaser, unless there is some express provision in the hire-purchase agreement which takes away this right. To safeguard the original owner, it is customary to insert a clause in the hire-purchase agreement, giving him power to seize and re-take possession of the goods let on hire in the event of execution or distress being levied against the hirer, or in the event of the hirer attempting to sell or dispose of the goods entrusted to him. But if the landlord distrains before the owner re-takes possession, the title of the landlord is superior to that of the true owner, provided that the hirer is distrained upon as the tenant of the landlord. If the hirer is not the tenant against whom the distress is being levied, the hired goods, though on the premises distrained upon, cannot be seized by the landlord. In the case of an execution against the hirer, the sheriff cannot sell the hired goods, for until the payment of the final instalment they belong to the original owner, but, as explained above, where the terms of the hiring agreement do not prevent it, he can sell the beneficial interest of the hirer in the hired goods, e.g., where ten out of twelve instalments have been paid, he can sell the goods subject to the liability of paying the two last instalments. If the hirer of goods, before he has paid the final instalment, purports to sell them, or employs an auctioneer to sell them, the original owner (provided the agreement stipulates that the goods remain the property of the original owner until payment of the final instalment, and that the hirer has the option of determining the hiring agreement at any time) is entitled to recover the value of the goods from the purchaser or auctioneer as damages for conversion, if they are not returned to him on demand. In the same way, if the goods are pledged, the true owner can obtain the value of them from the pledgee, although the latter took them in good faith and without notice.

The owner of goods let out on hire may assign his interest in them, and after the assignee has given notice of the assignment to the hirer, the assignee can enforce from the hirer payment of the instalments as they become due, but if, as is usual, the hiring agreement contains a licence to seize the goods in default of punctual payment of the instalments, this licence to seize cannot be assigned. Sometimes the goods let out on hire, e.g., a gas engine, or trade machinery, partake of the nature of fixtures and consequently become subject to the law applicable to fixtures. Fixtures are movable articles fixed to the ground or soil, or to a house or other building. It is usual for trade machinery, when

let out on hire, to be attached to the building by screws and bolts, or inserted into the ground, so as to make it firm and steady, with the result that it becomes what the law knows as a fixture, and if the land and building which contains the hired machinery is mortgaged by the hirer, the mortgagee is entitled to the machinery as against the original owner. Whether a chattel is a fixture or not is a question of fact, and depends on the special circumstances of each case. Where a large number of chairs were let out on the hire-purchase system to be used in a hippodrome, and in consequence of the regulations of the local authority they were screwed down to the floor, it was held that they did not become fixtures, and the mortgagee of the building and fixtures was not entitled to them as against the original owner.

In order to obviate risks of this kind, it is desirable to insert in hire-purchase agreements of chattels which may become fixtures a declaration that the premises in which the chattels are to be placed are free from any mortgage, incumbrance, or charge, and an undertaking by the hirer to give, say, one month's notice of his intention to mortgage, and that on receipt of such notice the owners are to have the right to determine the hiring. (See also BANKRUPTCY (ORDER AND DISPOSITION), BILL OF SALE, DISTRESS, EXECUTION, FACTORS ACT, FIXTURES, INFANTS, and MARRIED WOMEN.)

The stamp duty for hire-purchase agreements simply under hand is 6d. When under seal, the stamp duty is, as in the case of a deed, 10s. These duties were first imposed by the Finance Act, 1907.

HIRER.—The person who hires anything.

HITHE.—A small haven.

HO.—(See FOREIGN WEIGHTS AND MEASURES—CHINA.)

HOCK.—A light, white, Rhine wine, either still or sparkling, sweet or dry. It owes its name to Hochheim, one of the important centres of wine manufacture in the Rhine district.

HOGSHEAD.—This word was employed formerly to denote a measure of capacity, but as all liquid measurements are now made in gallons, it has lost its former significance, and it is used to designate any large cask. The hogshead, in wine measure, contains 63 gallons, while in beer and ale measure there are only 54 gallons. In the United States it is still used as a measure for liquids, equal to 63 gallons. A hogshead of tobacco varies in different States from about 750 to 1,200 lbs. The word is supposed to mean ox-head, not hogshead.

HOLD.—The hollow interior of a ship which is used for the storage of cargo.

HOLDER (OF BILL OF EXCHANGE).—The primary and obvious meaning of this term is the person into whose possession a bill of exchange (and, of course, this includes a cheque or a promissory note) falls. The holder may be the payee, an indorser, or the bearer.

There are three kinds of holders to be distinguished: (1) The simple holder of the bill, (2) the holder for value; and (3) the holder in due course. The last two named are considered in separate articles.

The position of the simple holder is this: He cannot sue any person on the bill subsequent to the last indorser, when value was given, unless he himself has given value for it, but then he is more than the holder—he is a holder for value.

Unless the bill is indorsed and made payable to the holder, the holder need not indorse it upon a transfer by him to another person. And if he

transfers it without indorsement, he is not liable upon the bill in any case, although if the bill is given in settlement of an antecedent debt or if the bill is not intended to be a final settlement between the parties, he may be liable upon the consideration if the bill is not paid. When the bill is made payable to the order of, or is indorsed payable to the order of a person, the transferee has a right to demand the indorsement of the holder upon such transfer.

As in all other cases, the holder of a bill cannot obtain any title to the same by or through a forged signature or indorsement.

Again, a mere holder of a bill may convert what is a blank indorsement into a special indorsement. This is done by the holder writing his own name above that of the last indorser, with a direction to the effect that the bill must be paid to the order of himself or to the order of some other person.

When the holder of a bill receives payment of the same from an indorser, he must give up the bill to the indorser who pays. This indorser has then all the rights of the holder from whom he received it.

HOLDER FOR VALUE.—A holder for value of a bill of exchange is defined by Section 27 of the Bills of Exchange Act, 1882—

"(2) Where value has at any time been given for a bill the holder is deemed to be a holder for value as regards the acceptor and all parties to the bill who became parties prior to such time.

"(3) Where the holder of a bill has a lien on it, arising either from contract or by implication of law, he is deemed to be a holder for value to the extent of the sum for which he has a lien."

By Section 30—

"(1) Every party whose signature appears on a bill is *prima facie* deemed to have become a party thereto for value."

A holder for value can always sue upon a bill of exchange, but he incurs no liability personally if it afterwards gets into other hands, unless he has indorsed it.

Although value is always presumed in the case of a bill of exchange, it is open to any party who is charged to show that no value has, in fact, ever been given at all. A holder, therefore, who can prove value at any time is in a better position than a mere holder. But he is not in so safe a position as the holder in due course (*q.v.*).

If a bill is payable to a holder for value or his order, he must indorse it upon a transfer. If it is a bill payable to bearer, he need not indorse it, but as a transferor by delivery he warrants to his immediate transferee that the bill is what it purports to be and will be met in due course.

HOLDER IN DUE COURSE.—Of all holders of a bill of exchange, the holder in due course occupies the best position. He corresponds to what was known, before the passing of the Act of 1882, as the "*bona fide* holder for value."

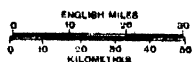
By the Bills of Exchange Act, 1882 (Sec. 29), a holder in due course is defined as follows—

"(1) A holder in due course is a holder who has taken a bill, complete and regular on the face of it, under the following conditions, namely—

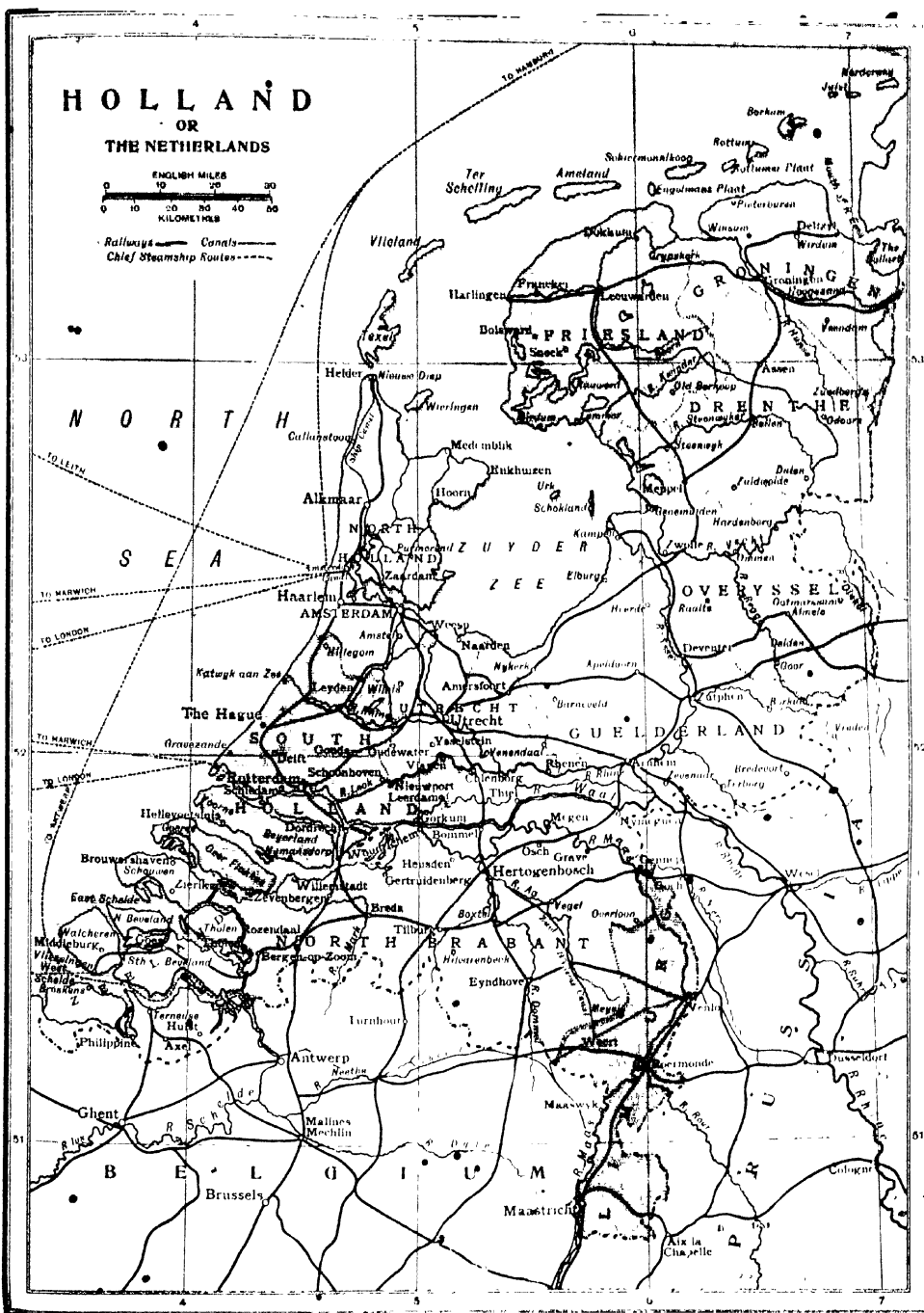
"(a) That he became the holder of it before it was overdue, and without notice that it had been previously dishonoured, if such was the fact;

"(b) That he took the bill in good faith and

HOLLAND OR THE NETHERLANDS



Railways — Canals —
Chief Steamship Routes - - -



for value, and that at the time the bill was negotiated to him he had no notice of any defect in the title of the person who negotiated it.

"(2) In particular, the title of a person who negotiates a bill is defective within the meaning of this Act, when he obtained the bill, or the acceptance thereof, by fraud, duress, or force and fear, or other unlawful means, or for an illegal consideration, or when he negotiates it in breach of faith, or under such circumstances as amount to a fraud.

"(3) A holder (whether for value or not) who derives his title to a bill through a holder in due course, and who is not himself a party to any fraud or illegality affecting it, has all the rights of that holder in due course as regards the acceptor and all parties to the bill prior to that holder."

A payee does not come within the definition of a holder in due course (see s s 1, above), as the bill is not complete until it is indorsed by the payee.

Again, by Section 30—

"(1) Every party whose signature appears on a bill is *prima facie* deemed to have become a party thereto for value.

"(2) Every holder of a bill is *prima facie* deemed to be a holder in due course, but if in an action on a bill it is admitted or proved that the acceptance, issue, or subsequent negotiation of the bill is affected with fraud, duress, or force and fear, or illegality, the burden of proof is shifted, unless and until the holder proves that, subsequent to the alleged fraud or illegality, value has in good faith been given for the bill."

The term "in good faith" used to cause great trouble, but now by the Act of 1882, the term has a statutory meaning, and it is thus defined in Section 90—

"A thing is deemed to be done in good faith, within the meaning of this Act, where it is, in fact, done honestly, whether it is done negligently or not."

Section 38 deals with the rights of a holder—

"The rights and powers of the holder of a bill are as follows—

"(1) He may sue on the bill in his own name:

"(2) Where he is a holder in due course, he holds the bill free from any defect of title of prior parties, as well as from mere personal defences available to prior parties among themselves, and may enforce payment against all parties liable on the bill:

"(3) Where his title is defective, (a) if he negotiates the bill to a holder in due course, that holder obtains a good and complete title to the bill; and (b) if he obtains payment of the bill the person who pays him in due course gets a valid discharge for the bill."

The position of the holder in due course is so important, that it has been considered necessary to give the Sections dealing with him in full. But shortly, it may be stated to be as follows: A bill is in the hands of a party. It is quite regular on the face of it, and there is nothing to create the slightest suspicion of any kind whatever. The holder transfers it for value. The transferee becomes the holder in due course. He can sue any person who is a party to it. He cannot be met by any such defences as no consideration, duress, fraud, etc. His title is complete, and the mere production of the bill is sufficient to establish his case if he has

to take legal proceedings. And if he sues any of the intermediate parties, who may have indorsed the bill without receiving any value, there is no answer to his claim.

In one way, and one way only, can he be defeated. If the bill contains a forged or unauthorised signature, the holder in due course cannot claim at all through that signature. He may have his remedy against parties subsequent to the forged signature, but he has none against the person whose signature has been forged or against any person whose name appears prior thereto.

HOLDING OUT.—Holding out, in a general sense, consists in a person's pretending to occupy a position which is not his by right, and which tends to deceive the public by leading them to assume something which is not, strictly speaking, quite true. Any person who thus places himself in such an equivocal position may render himself liable for all the consequences which would follow if the assumed position was actually occupied by him. The term is most commonly met with in connection with partnerships, where a person who is not in reality a partner in a firm does something which entitles the outside world to assume that he is not altogether independent of it. The liability of a person thus "holding out" is stated in section 14 of the Partnership Act, 1890—

"(1) Every one who by words spoken or written, or by conduct represents himself, or who knowingly suffers himself to be represented, as a partner in a particular firm, is liable as a partner to any one who has on the faith of any such representation given credit to the firm, whether the representation has or has not been made or communicated to the person so giving credit by or with the knowledge of the apparent partner making the representation or suffering it to be made.

"(2) Provided that where after a partner's death the partnership business is continued in the old firm's name, the continued use of that name or of the deceased partner's name as part thereof shall not of itself make his executors or administrators, estate or effects liable for any partnership debts contracted after his death" (See **NOMINAL PARTNER**).

HOLIDAYS.—(See **BANK HOLIDAYS**).

HOLLAND.—**Position, Area, and Population.**

Holland, or the Netherlands, lies to the west of Germany, and to the north of Belgium, with the North Sea on its western and northern sides, between latitude 3° 25' east and 7° 12' east, and latitude 50° 45' north and 55° 32' north. Its area is 12,761 square miles, and the kingdom is, therefore, about twice the size of Yorkshire, which has an area of 6,947 square miles. According to the census of 1918 the population of Holland is a little over 6,770,000.

The southernmost point on the coast is due east of Ramsgate, the northernmost of the Frisian Islands is due east of Grimsby, while the mouth of the Zuyder Zee is opposite the entrance to the Wash. Much of the country is really the delta of the Rhine, Maas (Meuse), and Scheldt, and it is to its position at the mouth of these rivers and the consequent ease of communication with the large population living in western Europe, on the one hand, and of the presence of the sea on the other, that Holland owes its importance. The history of the country emphasises this fact. When at the end of the fifteenth century the Portuguese

discovered the sea route to India via the Cape of Good Hope, they felt assured of the monopoly of the trade between India and Europe by that route. Owing, however, to the inconvenient position of Lisbon for north-western and central Europe, much traffic went via Holland with such profit to the Dutch that they were able almost completely to supplant the Portuguese in the East Indies with their own ships, and much of this part of the world still remains in their hands.

Climate. While the winters are longer and more severe than in England, the climate, owing to the nearness of the North Sea, across which blow the prevailing winds, may be described as equable and moist. In winter the canals are frozen and traffic is carried on the ice.

Relief and Rivers. As it is to-day, Holland is a monument of human energy working in conjunction with natural forces. For ages the rivers that enter the sea here brought down vast quantities of clay and sand, thus forming banks in the shallow seas off the shore, gradually enclosing more or less completely areas flooded only at high water. By extending and strengthening these natural barriers so as to enclose completely the areas from the sea, a larger and larger country was formed. These low-lying districts, called *Polders*, have, on account of their lowness, no natural drainage, and are liable to be flooded from the higher land, and even from the sea. To prevent this, great care is bestowed on the protecting dykes, and the water which accumulates is pumped out, to a great extent, by wind power, for which the country, on account of its nearness to the sea, and the flatness of the land, is particularly adapted. Altogether, the area reclaimed and lying at or below the sea-level amounts to one-third of the whole country. In these regions the rivers and canals are above the surrounding country, and are kept in by strong embankments. The controlling centre of the water and canals is at Arnhem, from which the whole of the low-lying districts could be flooded, if necessary, in time of war.

Along the whole of the coast from the mouth of the Rhine to the Zuyder Zee is a line of sand dunes, mostly natural, but in parts artificially strengthened, which protect the low-lying lands from the sea. This line, broken in places, runs northward to the Zuyder Zee, and then eastward through the Frisian Islands, and southward through the islands of Zeeland. The Zuyder Zee represents what much of Holland would be like if the sea were allowed to flood the lowlands, while the draining of the sea would be but the extension of the polders. To the north-east of the Zuyder Zee are some hills rising to a height of nearly 300 ft. These form the highest part of the country, except where, in the isolated portion near Belgium, are some hills rising to about 1,000 ft.

The local rivers are small and unimportant. The Waal and the Lek, distributaries of the Rhine, carry four-fifths of the river trade of the country, and are international waterways. Beside the great network of canals for drainage and also for barge traffic, there are a number of ship canals for vessels drawing from 10 to 25 ft. of water. The North Holland Canal joins Amsterdam with Helder at the entrance to the Zuyder Zee. This is less used now than formerly, since the making of the North Sea Ship Canal, which joins Amsterdam with the North Sea at IJmuiden. It is 26 ft. deep, and brings Amsterdam within 15 miles of the North Sea. The New Waterway is the canal between the sea and

Rotterdam. Near the mouth is the Hook of Holland. The South Beveland Canal leads to the Scheldt, and the Merwede Canal (10½ ft. deep) joins Amsterdam with Vreeswijk on the Lek, and thence with Gornichen (Gorkum) on the Waal. The King William Navigation Canal leads from the Zuyder Zee to Groningen, and there are also canals between Groningen and Harlingen; and Groningen and Delfzijl on the Dollart. This latter is now being deepened with a view to the greater development of Delfzijl.

Productions. Twenty-six per cent. of the country is devoted to agriculture, most of the agricultural land being of exceptional fertility. Thirty-six per cent. is grazing land, 7 per cent. forest, and 20 per cent. waste. This waste land consists chiefly of Drenthe, Overijssel, and Gelderland, the largest stretch being Bourtanger Moor on the borders of Germany. On the sandy soils, the chief crops are rye, buck-wheat, and potatoes, and on the clay soils, hops, sugar beet, tobacco, and wheat. The best grazing land is in the polders. Bulb-growing is carried on on the geest or sandy soil along the edge of the marshes. The small quantity of coal produced is mined in Limburg, where most of the mines belong to the State. In spite of this small output, there are a number of manufactures in Holland. Textiles are manufactured in Overijssel and North Brabant. Metal goods and agricultural implements are made at various centres, after which come paper, leather, chemicals, sugar, spices and margarine.

The People and Government. There are three peoples in Holland, each with its own language or dialect, but using Dutch as a common language, at any rate in cultured circles. There are Frisians, in the north, in Friesland; Saxons in the east and north-east; and Franks in the south. Holland has existed with its present boundaries since 1830, when the southern states revolted and formed the new country of Belgium, although this was not recognised internationally until the Treaty of London in April, 1839. The government is a limited monarchy. The executive power of the sovereign is vested in a responsible Council of Ministers. The legislative affairs are dealt with by the Parliament, a States-General, which consists of two chambers, the lower alone having the right to initiate new bills.

The country is divided into eleven provinces, each governed by its own Parliament, or Provincial States and a Royal Commissioner. For local affairs there are 1,123 communes, each with its own council presided over by the mayor or burgomaster.

The provinces are North Brabant, Guelders, South Holland, North Holland, Zeeland, Utrecht, Friesland, Overijssel, Groningen, Drenthe, and Limburg. The population is densest in the south-west, and least dense in the north-east.

There is complete religious freedom, but the royal family and the bulk of the population belong to the Reformed Church. Education is compulsory between the ages of six and thirteen.

Principal Towns. *Amsterdam* (650,000) is the largest town and the commercial centre of the country with an exchange and money market, and a large amount of shipping and manufactures. It is the chief diamond-cutting centre of the world, and has a university.

Rotterdam (500,000) owes its importance to the transit trade. Barges and river steamers collect goods and deliver them to ocean-going vessels at Rotterdam, returning with foreign goods for distribution.

The Hague ('s Gravenhage or Den Haag) (300,000) is the seat of the Government. It contains the royal palaces, and is a favourite residential town.

Utrecht (130,000) stands on the edge of the polder area, and is strongly fortified. It is a railway centre and market, and has a variety of textiles and other manufactures.

Groningen (80,000) is a market for agricultural produce, and a shipping centre, being in canal communication with Delfzijl on the Dollart, Harlingen on the Zuyder Zee, and Zwolle on the Vecht. There are also smaller canals connecting with the Ems in Germany. It has a university.

Haarlem (70,000) is the centre of the bulb-growing and cut-flower industry.

Arnhem (65,000) is the control centre of the canal system. It has a large river traffic, and is the chief market for the surrounding district.

Leyden (60,000) has a market with a large river trade, one of the first places to rise in importance in Holland on account of the trade on the Rhine. It is a university town, which still has some manufactures of cloth and cotton.

Tilburg (55,000) manufactures linen and textiles.

Dordrecht (50,000) has a considerable trade in timber, corn, and wine.

Leeuwarden (40,000), the capital of Friesland, is a cattle market, and trades with England via Harlingen.

Delft (37,000) is a cheese and butter market. It manufactures spices and pottery.

Schedam (36,000) is a corn market, and manufactures Hollands gin.

Enschede (35,000), with other towns in the south-east, has cotton and linen manufactures.

Railways. There are over 2,100 miles of railways in Holland of 1½ metres (4 ft. 11. in) gauge, all of which are privately owned.

Steamship Lines between the United Kingdom and Holland. The Cork Steamship Company—Liverpool, Manchester, Glasgow, Cork, and Southampton to Rotterdam and Amsterdam; the General Steam Navigation Company—London to Harlingen, the Gibson Line—Leith to Amsterdam, Harlingen, and Rotterdam, and Dundee to Rotterdam, the Lancashire and Yorkshire Railway—Goole to Rotterdam, Amsterdam, and Delfzijl; the Great Central Railway—Grimsby to Rotterdam, the Great Eastern Railway—Harwich to the Hook of Holland and Rotterdam, the Holland Steamship Company—London to Amsterdam, the Hull and Holland Company—Hull to Amsterdam and Harlingen, the Rankine Line—Dundee and Grangemouth to Rotterdam, the Tyne and Tees Steamship Company—Newcastle to Rotterdam, the Batavier Line—London to Rotterdam; the Zealand Line—the mail service (*vi fra*).

Commerce. Prior to the war most of the trade of the country was done with Germany, the United Kingdom, and Russia. These sent 90 per cent of the imports and took 90 per cent of the exports. Most of the ships were also under foreign flags, chiefly British, German, and Norwegian. During the war Holland enjoyed extraordinary prosperity, as she was not a belligerent, and was so enabled to carry on trade on a scale which can only be described as remarkable. The principal exports to the United Kingdom are cotton, sugar, silk goods, iron and steel manufactures, margarine, leather, paper, butter, cheese, and condensed milk. The principal products of the United Kingdom imported into Holland are cotton yarn, cotton goods, machinery, and new ships.

Prior to the outbreak of war in 1914 there was a regular mail service from London twice a day via Flushing—the morning through Queenborough and the evening through Folkestone. Although restricted at present (1920), there is little doubt that when conditions become normal the old communication will be restored. Supplementary mails are also sent via Belgium. The time of transit is eleven hours to Amsterdam and ten hours to Rotterdam.

Dutch Colonial Possessions. The Colonial possessions of Holland occupy an area of about 830,000 square miles, and contain a population estimated at close on 50,000,000. They comprise (1) the Dutch East Indies: Sumatra, Java, Borneo, etc.; and (2) the Dutch West Indies: Curaçao and Surinam, or Dutch Guiana.

DUTCH EAST INDIES. Position, Area, and Population. The Dutch East Indies (Nederlandsch Oost Indië) includes a vast number of islands of all sizes off the south-east of Asia, stretching west to east from longitude 95° E. in Sumatra to the boundary of Dutch New Guinea 141° E., and north to south from the same point in Sumatra 6° N. latitude to 11° S. latitude. The total area is 740,000 square miles. The population is estimated at 48,000,000.

They are divided into (1) Java and Madura; and (2) the outposts—Sumatra, Borneo, the Riau Lingga Archipelago, Banca, Billiton, Celebes, the Molucca Archipelago, the smaller Landa Islands, and the western part of Papua or New Guinea.

Java. The most important of the islands is Java, with which Madura, a smaller island to the north-east, is always associated. Together they have an area of about 51,000 square miles and a population of 35,000,000, more than three-fourths of the whole archipelago, of which *Badava*, in the north-west of the island, is the capital. The island is very volcanic, there being twenty-five active volcanoes, the mud from which has at various times covered the whole island, making it exceptionally fertile, so that it produces the bulk of the agricultural produce. Coffee, tea, indigo, cinchona, cocoa, and tobacco. Petroleum is found in the east.

Java has about 1,600 miles of railway.

Banca and Billiton, two islands to the east of Sumatra, produce large quantities of tin.

Sumatra is forest covered, and among its trees is the gutta percha tree. Much tobacco is grown. Petroleum is found in the north-east.

Borneo is inhabited by Dyaks and Kavans, who collect edible bird's nest, gutta percha, dammar, and other forest products.

Celebes, the healthiest of the islands, produces coffee under a forced labour system.

The Moluccas or Spice Islands, between Celebes and New Guinea, commercially the most important are Amboyna and Lontav.

Amboyna is the clove island.

Lontav produces nearly the whole of the world's supply of nutmegs.

Exports. The chief exports, most of which go to Holland, are sugar, tea, rice, indigo, cinchona, tobacco, and tin. Half of the rice exported goes to China and Borneo.

For map, see EAST INDIES.

CURAÇAO is an island in the West Indies, the largest of a group of six, which together form the colony of Curaçao, with a total area of about 52,000 square miles. The other islands are Bonaire; Aruba, the southern half of St. Martin (the northern half is

French); St. Eustache; and Saba. Curaçao, with Aruba to the west and Bonaire (Buen Aire) to the east, lies in the south of the Caribbean Sea. The other islands lie east of the Virgin Islands.

The small town of *Willemstadt* is the capital of the colony.

All were flourishing in the days of smuggling and privateering, and provided vegetables and other supplies for sailing ships; now most of them are in a depressed condition. Salt and phosphates of lime are exported. Large coal deposits are known to exist, but these as yet are untouched. Europeans and Chinese cultivate tobacco, sugar, and pepper for export.

For map, see WEST INDIES.

DUTCH GUIANA, or SURINAM, lies between British Guiana on the west and French Guiana on the east, the boundaries being formed by the Corantyn and Marowynne rivers respectively. Its northern coast on the Atlantic runs due east and west along parallel 6° N for 240 miles. The southern boundary reaches within two degrees of the Equator, a distance of about 270 miles from the coast. It has an area of just over 49,000 square miles. The shores are low, having in parts to be protected by dykes; but, inland, successive steps lead to the Tumac Humac Mountains, on the southern border. The climate is hot and damp, with little difference of temperature throughout the year. It is, however, tempered by the winds from the sea. Inland, the heat and dampness give rise to dense forests, to which the term "steaming" can sometimes be applied. Passage through these forests is difficult from the fact that the rivers form the only roads, and, as there are numerous falls and frequent floods, such travelling is dangerous.

Industries. Sugar growing is declining, but is still important; rum and molasses are also produced. Cocoa, coffee, bananas, rice, and maize are grown. Some gold is found. So far, only alluvial gold has been sought, but now crushing plants are being erected to deal with reefs. Timber is obtained from the forests, and a kind of gutta percha, called *balata*, is exported.

The People. There are about 100,000 people, exclusive of negroes living in the forests, descendants of runaway slaves. The number of whites, mostly Dutch, is small.

Paramaribo (35,000), the capital, stands on the Surinam river, 10 miles from the sea, at the junction with the Commewine river. The control of the Colony is in the hands of a Governor and other officials appointed by the Queen of Holland. Local affairs are dealt with by an elected body.

From 1650 the country belonged to Britain. In 1667 it was exchanged for the colony of New Netherlands, now known as New York.

For map, see SOUTH AMERICA, p. 80.

HOLOGRAPH.—A document which is written entirely, or almost entirely, by the person who signs it. Thus, a holograph will is one which is written out entirely by the testator.

It is advisable that certain documents should always be holograph. For instance, it is unwise for the drawer of a cheque to allow any part of the instrument to be in the handwriting of any person other than himself. By avoiding handwriting of several persons, there is less chance of forgery being committed.

In Scotland, when a surety signs a printed form of guarantee, he sometimes writes above the signature: "Adopted as holograph."

HOME CONSUMPTION.—This may refer to—

(1) Goods which are consumed in the country in which they are produced; or

(2) Foreign goods which have been placed in a bonded warehouse on importation, until the duty is paid, in order that they may be brought into consumption.

HOME OFFICE.—This is one of the most important of the State departments, as it has so much to do with the internal affairs of the kingdom. It was first established in 1782, but did not practically assume its present position until 1801. At the head of the establishment is the Home Secretary, a Member of the Cabinet of the day, who enjoys a salary of £5,000 per annum. Amongst his multifarious and onerous duties, it may be noticed that he is the general means of communication between the Sovereign and his subjects; he is responsible for the enforcement of public order, and he is also confided with the task of seeing that the rules made for the internal well-being of the community are carried into effect. Although this has not been the invariable case during the last few years, it is considered highly desirable that the post of Home Secretary should be held by a man who is a trained lawyer, especially as his duties are so largely connected with the administration of the criminal law, and to him is practically confided the Royal prerogative of mercy.

HOME USE ENTRY.—A Custom House document which is used when dutiable goods are to be removed from a warehouse for home consumption. For form, see CUSTOMS FORMALITIES.

HONDURAS.—Honduras lies in the middle of the isthmus of Central America, between the Gulf of Honduras in the Caribbean Sea on the north and Salvador and Nicaragua on the south. Between these two States it extends to Fonseca Bay on the Pacific. Its area is a little less than 45,000 square miles, and its population is estimated at 650,000. *Tegucigalpa* (35,000), the capital, is in 14° N. latitude and 87° W. longitude.

The climate is tropical in the low-lying coast lands, but cooler in the higher interior, where *Tegucigalpa* is situated.

There are extensive forests and considerable mineral wealth, but the country is little developed and communications are bad, even the short stretches of railway being in bad repair.

The principal product exported is the banana, grown chiefly on the Atlantic coast, and sent principally to the United States, with which country most of the trade is carried on. The principal exports, in order of value, are bananas, ores, bar silver, cattle and hides, coconuts, coffee, timber (mahogany and cedar), rubber, and gold. In trade with the United Kingdom, the chief articles in either direction are coffee and cotton goods.

The ports are *Truxillo* on the north and *Amalpo*, in Fonseca Bay, on the south.

There is a regular fortnightly mail service via Panama. The time of transit is eighteen days.

BRITISH HONDURAS. British Honduras lies along the western shore of the Gulf of Honduras, between the river Hondo on the north and the Sarstoon in the south. It has an area of 7,562 square miles and a population of less than 40,000. The Belize river, at the mouth of which stands Belize, the capital, divides the country into a low northern and a hilly southern part. The forests, which cover the greater part of the country, supply

mahogany and logwood that form the bulk of the exports. Bananas are also grown for the United States, while cattle are reared in the more hilly and less densely wooded regions.

Belize (11 000), the only port, has no harbour. The whole coast is low and fringed with small islands, so that all cargoes have to be lightered for several miles.

Mails are despatched every Wednesday. The time of transit is about seventeen days.

For map, see CENTRAL AMERICA.

HONEY.—The sweet, syrupy liquid collected from flowers by bees and deposited by them in the combs of their hives. Honey consists mainly of glucose, cane sugar, gummy matter, and water. It varies in quality according to the flowers from which it is procured, the age of the hives, the method of extraction, and the season of the year. The best is of a very pale yellow colour, which deepens with age. Scotland produces excellent honey and so do Chamounix and Narbonne, but the largest import trade is done with California. Mead, the fermented liquor obtained from honey, is a favourite beverage in North Europe.

HONG.—This is the name which is given by the Chinese to any factory belonging to European merchants in Canton. The Hong merchants were, previous to the wars with England, ten or twelve natives, who alone were legally entitled to trade with foreigners, who were known as the "outer barbarians."

HONG-KONG.—Hong Kong lies off the south-east of China, about 90 miles from Canton (22° N. and 114° E.). It is a long, narrow island of about 29 square miles, separated from the mainland by a channel half a mile wide, which forms a magnificent harbour covering an area of 10 square miles, and came into the possession of the British in 1841. Kowloon, a small peninsula opposite, was added in 1861, and in 1898 the large peninsula to the north, with an area of 376 miles and a population of 100,000 was leased from China for ninety-nine years, for defensive purposes. The population of the island is about 570,000, most of whom are Chinese, the white inhabitants, including the naval and military, numbering less than 15,000.

The climate is tropical, but the mean monthly temperatures vary from 40° to 90° F.

Victoria (285 000), the capital, lies along the north shore of the island. It has large docks for the repair of naval and mercantile ships. The amount of shipping cleared annually, inclusive of Chinese junks, is over 14,000,000 tons.

Hong-Kong owes its importance to its convenient position for *entrepôt* trade between China and the West, cotton goods and other European manufactures, with opium, being the chief imports, and tea, silk, and hemp the chief exports. It is an absolutely free port, with no Custom House, so that no official trade returns are published. Half the trade is with Britain. It is a military station, the headquarters of the British Fleet in Chinese waters, and is strongly fortified.

Mails are despatched weekly to Hong-Kong, the time of transit being about twenty-nine days.

For map, see CHINA.

HONORARY.—An office or position is said to be honorary when there is no fee or salary attached to it. The payment made to a barrister—and the same was formerly true as to a physician—since he is supposed to give his services and cannot sue for his fees, is called an "honorarium."

HONOUR.—In commercial circles this word signifies the meeting of some claim or obligation at the appointed time, e.g. the acceptance or the payment of a bill of exchange when it becomes due.

HOP.—The *Humulus lupulus*, a plant with a twining stem, allied to the hemp and the nettle. Its bitter, aromatic principle is a golden yellow substance known as lupuline. The catkins containing it are used for brewing, the beer depending for its characteristic flavour on the lupuline. Kent, Sussex, Worcester, and Hereford are the chief centres of hop cultivation in England, but the home supply is supplemented by imports from the Continent and from America. Hops are useful medicinally for their narcotic properties.

HORNBEAM.—A deciduous tree, the *Carpinus betulus*, valued for its white, tough wood, which is used for agricultural implements, cogs of mill-wheels, etc. Good charcoal is also obtained from it.

HORNS.—The hard excrescences, pointed but unbranched, which grow on the frontal bones of oxen, sheep, and goats. Horn is used in a variety of ways, cups, knife handles, umbrella handles, and ornaments being some of the chief articles manufactured from it. Great Britain's supplies come from India, South America, and South Africa. Care should be taken not to confuse horns with the antlers (*q.v.*) of deer.

HORSE-FLESH, SALE OF.—An Act was passed in 1889 to regulate the sale of horse flesh for human food. Horse flesh may only be sold for human food in a shop, stall, or place, upon which there must be, at all times painted, words indicating that horse-flesh is sold there. The words must be plainly written in letters at least 4 in. long, the words must be conspicuous, both by night and by day, during the times that the flesh is exposed for sale. No seller of horse-flesh must sell horse-flesh to a customer who is asking for some other kind of flesh, or for a compound article not usually made of horse-flesh. For instance, if a customer asked for a pound of beef sausages, and the seller supplied sausages compounded with horse-flesh, the seller would be disobeying the Act and would be liable to punishment.

The following persons may inspect the premises of a horse-flesh seller, or any other seller of meat, at all reasonable times: The medical officer of health, the inspector of nuisances, or other duly appointed officer of a local authority. They may inspect and examine any meat which they believe to be horse-flesh and intended for human food, and if such horse-flesh is found upon the premises of any person who has no notice over the door or shop as the Act directs, then the officers may seize such horse-flesh and carry it away, and make a complaint upon oath to a justice of the peace. Any justice of the peace may grant a warrant to any of the officers named above to enter any building, or part of a building, in which the officer has reason to believe that horse-flesh intended for sale as human food is kept concealed. The warrant authorises the officer to make a search, and to seize and carry away any meat that appears to be horse-flesh, and that is intended to be sold for human food, in any place where no notice, in plainly written letters at least 4 in. long, is put up as described above.

If any person obstructs the officer when carrying out his duty, such obstruction will be treated as an offence and punished accordingly. If a justice of the peace considers that the meat seized was horse-flesh, he may order the disposal of the flesh in such

manner as may seem desirable to him. The person upon whose premises the flesh was found will be held to have committed an offence, unless he can satisfy the justice that the horse-flesh was never intended by him to be sold and eaten as human food.

The penalties inflicted under the Act are: For every offence against any provision of the Act, a fine not exceeding £20. The term "horse-flesh" shall include the flesh of asses and mules, and shall mean horse-flesh cooked or uncooked, alone, or mixed with any other substance. The local authorities who are to administer the Act are: The Public Health Department of the City of London; the Metropolitan borough councils; the urban and rural district councils, in England, Wales, and Ireland. In Scotland, the local authority is any local authority authorised to appoint a public analyst under the Sale of Food and Drugs Act, 1875.

Licences are granted to knackers by county borough councils and urban and rural district councils. No person may keep any house or place for the purpose of slaughtering any horse, mare, gelding, colt, filly, ass, mule, bull, ox, cow, heifer, calf, sheep, hog, goat, or other cattle, which shall not be killed for butchers' meat, without first taking out a licence for that purpose. The knacker must produce evidence of good character, under the hands and seals of the minister and churchwardens or overseers. The licence remains in force for one year, and, if the knacker dies, his widow may carry on the business under it. Licences are not required by the following persons: Curriers, felt makers, tanners, or dealers in hides, who may purchase any of the above-named animals for the purpose of curing their hides, or for using any part of the animals in the course of their business; farmers engaged to kill aged or sick cattle; any person who kills or purchases any of the above-named cattle to feed hounds or dogs.

HORSEHAIR.—Hair obtained from the manes and tails of horses, the latter sort being the more valuable. The short hair is used for stuffing mattresses, furniture, etc., while brushes, hair-scaring, sacking, etc., are made from the long variety. The largest supplies of this commodity come from Russia.

HORSE POWER.—This is the standard in use for estimating the power of a steam-engine. According to the theory put forward by Watt and Boulton, it is the force which is required to raise 33,000 lbs. avoirdupois through 1 foot in a minute. More recent calculations have made it clear that this estimate is too high, but no change has been made in the standard yet.

HORSE-RADISH.—The *Cochlearia Armoracia*, a plant cultivated in Britain and in Germany for its root, which has a hot, pungent taste owing to the presence of a volatile oil. It is a popular condiment with roast beef when scraped, and is useful in medicine as an anti-scorbutic.

HORSES.—Germany supplies the largest number of live animals imported by Britain, while the largest number of hides come from South America, particularly from the River Plate district. The United Kingdom also does an export trade in horses. Horsehair has been dealt with separately.

HORSES: THEIR SALE, PURCHASE, AND HIRING.—There are two ways of acquiring right or title by purchase in the case of horses, as of other personal chattels. The sale may be either in open market, known in law as market overt (see

title), or may be by private contract. Also horses may be sold under the ordinary rule that the buyer must protect his own interests by discovering for himself defects in the article he purchases, and must not expect the seller to disclose them voluntarily. (See *CAVEAT EMPTOR*.) In this case the seller's only obligation is not to deceive the buyer by false representations or by using fraudulent means of concealment, but, further than this, the seller may give an assurance to the buyer, called a warranty, that the article is free from such or such defects. We may, therefore, consider the sale of horses under the three heads of market overt, private sale, and warranty.

1. **Market Overt.** The law of market overt is based on the need for protecting innocent purchasers of goods that have been stolen, in which case the purchaser does not obtain a good title to them against the true owner, who seeks to recover them. This protection was found particularly necessary in the days of Philip and Mary, and Elizabeth, in the case of horses, horse stealing being then a very common offence. Though purchase in market overt generally gives the purchaser a good title to the goods, the statutes passed in the reigns just mentioned lay down particular directions for the sale of horses in market overt or fairs, and these directions must be followed, or the sale will be void if the horse sold was a stolen one. The true owner is entitled, no matter how long after the sale, to seize the horse whenever and wherever he may happen to find it, or may bring an action to recover it.

These directions are—

(a) The horse shall be openly exposed, in the time of such fair or market, for one whole hour together, between ten in the morning and sunset, in the public place used for such sales, and not in any private yard or stable.

(b) It must then be brought by both the seller and the buyer to the book-keeper of such fair or market.

(c) Toll must be paid if any is due, and, if not, one penny to the book-keeper.

(d) The book-keeper shall enter down the price, colour, and marks of the horse, with the names, conditions, and abode of the purchaser and seller, the latter being properly attested. If the seller's name is falsely entered, this makes the sale void.

Even a sale strictly under these regulations does not take away the property of the owner, if (a) within six months after the horse is stolen he puts in his claim before some magistrate, where the horse shall be found, (b) within forty days more proves it to be his property by the oath of two witnesses, and (c) tenders to the person in possession such price as he *bona fide* paid for him in market overt.

But the magistrate cannot order the horse to be restored to the owner without actual proof of its having been stolen, and if he grants a warrant against the person accused of stealing it, this alone does not entitle the officer armed with a warrant to take the goods out of the possession of the *bona fide* purchaser.

The buyer must prove that the requirements of the statutes have been complied with if he is to resist the demand of the owner.

In a case in 1873 a mare had wandered from a park, and was sold by the "pinner" in market overt to the plaintiff Moran. The defendant Pitt took possession of it, alleging it had been stolen. Moran was held not entitled to sue Pitt for

damages or recovery, as he could not prove the formalities had been observed. (*Moran v. Pitt*, 42 L. J. Q B 47.)

It will, of course, be understood that the buyer can only claim the protection of the law as to market overt, even though the formalities above described have all been strictly observed, if he has bought the horse in good faith and without fair reason for believing that it was stolen.

2 Private Sale. The law is the same for the sale of horses as for the sale of other goods, and thus the Statute of Frauds applies, and especially by the Sale of Goods Act, 1893 (56 and 57 Vict. c. 71), the law applicable to the sale of all goods covers the sale of horses. A clause in this Act provides that as regards market overt, the rules for the sale of horses under the statutes before-mentioned shall not be affected. The result, therefore, is that as those rules, by their added strictness, largely take the sale of horses out of the general law of market overt, the law of the sale of horses becomes mostly the law laid down for other goods by the Sale of Goods Act, 1893. (See SALE OF GOODS.)

3. Warranty. When a warranty is given as to a horse, the effect of it is that the buyer has the right to sue for any damages caused by the horse not being according to warranty, not to treat the transaction as no contract. A warranty rarely ought to be given, as questions of soundness or unsoundness or of vice, that is, bad habits, are exceedingly liable to lead to litigation. If the purchaser insists, it can only be worth the risk in the case of a valuable horse, which would fetch much more with a warranty, and a veterinary surgeon should be employed. Even then, the terms "sound" or "unsound" are so disputable, that the surgeon's certificate would best take the form of a description of the condition of the horse, thus leaving the purchaser to judge for himself on a skilled statement of the facts. And the purchaser gets no warranty except the implied warranty of title, in the Sale of Goods Act, that the seller has the right to sell. No warranty as to quality or fitness for any particular purpose goes with the sale of a horse, unless something has taken place between seller and buyer from which this can be inferred: for instance, if the buyer asked for a horse to carry a lady or to drive in a carriage, and the horse was vicious or had never been in harness. The purchaser must otherwise have an express warranty if he would protect himself against hidden defects by suing the seller for damages.

A warranty need not be in any particular form of words, and it may be either oral or in writing. If the seller represents that the horse is sound, or fit for a particular purpose, or is quiet or free from vice, and so on, he has given a warranty on those points. But there must be a definite undertaking, not the mere expression of an expectation or estimate. The warranty may be qualified so as not to be completely general, e.g., the buyer may say: "I never saw it, but the horse is sound to the best of my knowledge." In a case where these words were used, the purchaser was held entitled to damages on the warranty, when he proved that the seller knew of an unsoundness. Where the warranty is quite general, it would be indifferent whether the seller knew or did not know of any defects. A general warranty, however, would not cover such patent defects as the loss of an eye or lack of the tail; but blindness or defect of vision would not be such a case, as it may not by any means be patent.

On breach of warranty, as this does not dissolve the contract, the buyer cannot return the horse except on the ground of fraud. He must abide by his bargain, and either claim on being sued for reduction of price, or himself sue on the warranty for damages. If, however, the horse has been supplied for a particular purpose, the buyer is entitled to keep it long enough to try it for that purpose, and if it does not answer he must return it without delay, and he must not do anything which implies acting as owner of it.

A number of cases have decided what may be done generally if there is a breach of warranty. The buyer may offer to return the horse to the seller. He should do this as soon as the breach is discovered, and thus entitle himself to be paid for its keep. If the seller agrees, the contract is at an end. On refusal, the horse should be sold promptly by public auction. To avoid dispute as far as possible, the buyer who does not offer the horse back should at once give notice to the seller of the breach.

To set out all the various complaints, diseases, defects (whether of structure, temper, or habit), which constitute unsoundness or vice, would be to write a treatise on the horse. It is not necessary that, whatever the disorder may be, it should be permanent and incurable. The general rule for unsoundness has been laid down to be as follows: If, at the time of sale, the horse has any disease which either actually does diminish the natural usefulness of the animal, so as to make it less capable of work of any description, or which, in its ordinary progress will diminish the natural usefulness of the animal, or if the horse has, either from disease or accident, undergone any alteration of structure that either does at the time or in its ordinary effects will diminish the natural usefulness of the horse, such horse is unsound (*Kiddell v. Barnard*, 1842, 9 Mee. and W. 668).

This test of natural usefulness is applied to the case of vice or bad habit. It must show itself in the horse's temper, or be so injurious to its health as to impair its usefulness.

The Hiring of Horses. (1) *In Lender.* The lender warrants a horse hired for a particular journey to be fit and competent for it. He is responsible for defects in the horse which make it unsuitable to lend to any particular person for a particular purpose, if through its unsuitableness the person borrowing is injured. He must not conceal defects, such as being vicious and unmanageable, from a person not aware of them, so as to make the horse dangerous to a person who does not expect to have to use more than ordinary care and skill. The lender cannot require more of the borrower than ordinary care and skill. Unless there is some understanding between lender and borrower, the lender lends the horse only to be used by the borrower himself and not by anyone else, as, for example, the borrower's servant. If the borrower allows any other person than himself to use it, he is liable to the lender for any accident that may happen to it. Such an understanding would arise if the lender lent the horse to be used, intending to sell it to the hiree. If the lender sends out a servant of his own with the horse or with horse and carriage, he takes the responsibility on himself. This applies, too, where third persons are injured, and the lender is responsible to them. Yet in some cases the circumstances might be such that the driver, though he was in general the servant of the lender, would on the particular occasion be held to be

under the direction of the borrower, who would, in consequence, be responsible. Thus, the borrower might insist on driving himself or taking the management, and even if the driver independently commits some action which injures another without the borrower interfering, the latter might be equally liable.

(2) *The Borrower*. The borrower is bound to treat the borrowed horse as if it were his own; and, if he does so, he is not responsible for injury to the horse. He must return it at the stipulated time, he must not use it differently from his agreement; as, for example, by going out of the usual road, or he will be liable for any injury happening in such a case. Otherwise, he is only responsible for negligence. Suppose the horse falls and breaks its knees, the lender does not prove sufficient to enable him to obtain damages by showing that the horse was not in the habit of falling. He must show the horse fell because the borrower's negligence caused it. If without negligence on the borrower's part the horse falls lame, the borrower may leave it at some proper place, and give notice as early as possible to the lender, who must send for it. The borrower is not liable for the loss of the horse, nor, if he gives this notice, for loss of the horse's services to the lender. If the horse is driven after being exhausted, the borrower will be responsible for the injury to it, but he is not liable for the expense of curing the horse if it falls sick on the journey without the borrower's fault. In such a case he should call in a veterinary surgeon, or he may be liable for improper treatment, or for non-treatment. He is, of course, responsible for his servant while acting in the ordinary course of his duty, but not for damage done by a stranger without any negligence of his own. The borrower is responsible for negligence whereby third parties are injured, except where the lender is in control in the circumstances mentioned above. If two or more persons borrow horses and carriage, they are all liable for any such accident, but the borrower alone is liable if the others are passengers.

Lien on Horses. A horsebreaker is, like any other person, liable for want of skill or negligence in doing what he has agreed to do. Concurrently with the responsibility, he has also the usual lien as security for payment of his services. (See *LIEN*.) The trainer of racehorses has also a like lien, but if by usage or contract the owner may send the horse to run at any race he chooses, and may select the jockey, the trainer, since he has not the right of unbroken possession of the horse, does not acquire a right of lien (*Forth v. Simpson*, 1849, 13 Q. B. 680). An owner of a stallion has also a lien on the mare sent to be covered.

• **HOSIERY.**—Originally stockings or other coverings for the legs, but now applied to under garments of all sorts. Great Britain does an active export trade in these articles, the chief seats of manufacture being Nottingham, Leicester, and Hawick.

HOTCHPOT.—This is a term which is frequently, almost invariably, found in marriage settlements, and the insertion of the clause relating to hotchpot is for the purpose of requiring a child or children who receives or receive any particular benefit to bring into account the sum so received when the trust is finally disposed of. (See *MARRIAGE SETTLEMENTS*.)

HOUSE AGENT.—(See *LANDLORD AND TENANT*.)

HOUSEBREAKING.—(See *THEFT*.)

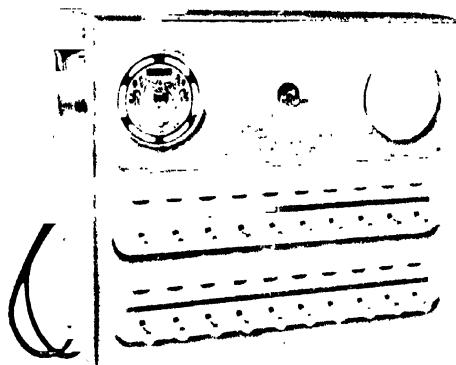
HOUSE DUTY.—(See *INHABITED HOUSE DUTY*.)
HOUSE TELEPHONES.—No up-to-date office can be considered complete without means of intercommunication between the various departments. It is a strange fact that many large and, in other respects, up-to-date offices and factories—expensively fitted and equipped with all kinds of up-to-date appliances and labour-saving and time-saving machines—have little or nothing to save the valuable time of highly-paid executive officers and departmental heads.

There are in vogue several methods of intercommunication. First of all there was the hand-struck gong, which the manager sounded when he required to see certain officials. Then there was the blow-pipe or speaking tube, but it was found to be insanitary and very unsatisfactory in many respects. Another method is the provision of an electric bell in the outer office, which is connected with a small bell-push on the principal's desk, there being a recognised code of signals (e.g., one ring for the typist, two for the chief clerk, three for the messenger, etc.). If there are several chiefs using bell signals, each bell communicates with an indicator in the general office, on which indicator a disc (previously assigned to the particular official who has rung) falls down. This method is, of course, useful only as an indication that the chief requires someone to go into his room, and much time and unnecessary passing in and out will be saved by the adoption of telephony, which enables the message to be spoken direct from office to office. The first office or house telephone had the ordinary extension lines, with a switchboard and a special operator. This had all the shortcomings so often attributed to the public telephone—long periods of wasted time while the required number was being obtained, with the resultant irritability and "phone language." Then came another type of house telephone, which was worked by twisting a pointer round to a certain number representing the office required, and pressing a button which rang a bell or buzzer at the other end. Within recent years, great strides have been made in the matter of perfecting "inside" telephone systems, and now the chief executive of an organisation can be placed in absolute control of every division and section of that organisation in the most direct and efficient manner that human ingenuity has yet been able to devise. A few notes on some of the latest systems follow, and from the brief descriptions given, it will be seen that they have a very wide sphere of usefulness and well merit the careful consideration of all business organisers.

Dictograph. The Dictograph is a system of intercommunication which gives the manager real personal control of a large business concern. It is one of the most recent developments in telephony as applied to business management. Briefly, it is a telephone which will *liberate the spoken word so that it may be audible in any part of the room in which the apparatus is placed*. This telephone also may be spoken to from any part of any ordinary office or room, so that there is no need to remain at the instrument whilst carrying on a conversation. The Dictograph does its duties practically without manipulation, with a minimum loss of time and the maximum of efficiency. It will enable the governing head of a business to speak to one or more departments simultaneously, and a conversation may be carried on between several people as if they were conferring in the same room, all being able

to hear what the others are saying under the Master Station control.

The auxiliary stations are called Dictograph sub-stations. The Master Station has a circuit whereby a signal lamp lights upon the sub-station called, showing it that a principal is desirous of speaking. Should a sub-station already be talking through another sub-station the executive principal would, of course, be given preference and priority of call. All communications from a Dictograph Master Station to any of the sub-stations are secret, no third party can "butt in" on the line or overhear a conversation. Should another telephone call the Master Station whilst a conversation is already taking place the sub-station calling operates a shutter and buzzer at the Master Station, thus showing who is calling, but no conversation is possible until the Master Station throws the proper key below the operating shutter. If the Master Station does not wish the existing conversation interrupted by the third party's buzzer signal,



Dictograph Master Station 20 Keys.

he can stop the annoyance of the buzzer by a small switch in front of the Master Station. The Dictograph also assists in the dictating of correspondence. There is no need to have a stenographer in the room. The shorthand writer need not leave her desk and has both hands free to take her notes or even operate her machine at the same time as a letter is dictated to her. All the while the person dictating is free to move about the room, or to refer to documents or files in exactly the same way as if the shorthand writer were at his hand.

Two more points should be mentioned, first in the event of anyone else being present when a message comes in, a small ear piece fitted to the instrument may be taken from its hook and applied to the ear. The user immediately puts "round speaking" and is out of action, and the message can then be heard only by the person for whom it is meant. Secondly, a small attachment may be fitted which will register calls made to the Master Station during the principal's absence, so that on returning, he may ask the relative department what they wished to speak about.

The "Junior Dictograph" is a small outfit of the Dictograph Interconversing System, giving the same privileges to the user of the Master Station when communicating with other sub-stations. The

"Junior" outfit has been designed in response to requests from individuals and organisations whose communication requirements are not large enough to necessitate the adoption of the larger system described above, but who, nevertheless, desire to use the Dictograph principle of sound transmission.

The Dictograph Interconversing System is automatic in action, thus eliminating a switchboard, and its operator's expense.

"New System" Telephones. The "New System" service includes a number of special and unique features. The standard instrument is the "Admiralty" automatic intercommunicating telephone, either wall or desk type, but there are various adaptations, desk instruments, etc. A very special feature about the system is that it is installed on a rental basis, the company does all maintenance, renewals and repairs for a small quarterly rental, and guarantees an efficient service for many years. The wall telephone is generally used for providing full "automatic" intercommunication between any number of points, and is made up in a complete range of sizes from four keys and upwards. Opposite each button an engraved departmental (or other) name plate is fitted, and the depression of the appropriate key automatically and instantaneously selects and rings the desired station *in one operation*. Two or more stations can also be brought on the line simultaneously, and a three connected conversation can thus be carried on. When desirable, provision can be made on these sets whereby principal officials can, at will, isolate their instruments from the rest of the system and carry on *confidential* conversation entirely free from "third party" interruption. The secret control buttons are made in distinctive coloured material and appropriately labelled. For works, warehouses, etc., where officials are often absent from their offices, visiting various parts of the premises, a "round call" signalling system has been devised. A distinctive coloured "round call" signal button is fitted on each phone. The calling party, finding that there is "no reply" from the desired party's telephone, depresses the "round call" signal key and sends out a pre-arranged code signal which *sounds* simultaneously in *every* part of the premises. The wanted person, recognising his signal, proceeds to the nearest phone and, by depressing the "round call" reply button, is automatically connected to the person who is calling him. The "round call" is also valuable as a fire-alarm signal. The "New System" telephone sets may be obtained fitted with visual indicators, these being of considerable value to a principal, showing, as they do, which of the telephone lines are "engaged" and which line is calling him. All the "New System" apparatus is made entirely by British workmen in London.

Relay Automatic Telephone System. This, the proprietor's patent, has been designed to supply the great demand for a system of telephones which is secret, reliable, quick in action, economical, and does not readily go wrong. The system consists of telephone sets, calling devices, the exchange switchboard, and the wiring. To the ordinary pattern telephone at present used is attached a dial switch, by means of which any desired number may be selected. It consists of a circular plate with 10 holes, through each of which a number is seen, the numbers being consecutively "1" to "9" and "0". The exchange switchboard is made up with relay units mounted on an iron rack. The

relays used are of a type evolved by many years' experience, and after careful adjustment they seldom require further attention. In addition, they are fireproof, dustproof, and do not require oiling or cleaning—an important point, especially in private installations. Among the advantages of the "Relay" automatic telephone system may be mentioned the following. It needs no operator, the apparatus is always ready for use, the annual charge is low, absolute secrecy and freedom from overhearing, impossibility of connection to an engaged line, reliable "engaged" signal, simplicity and flexibility, additions to the installations can be made at any time without interrupting the service or deflecting the existing apparatus, additions to the



Relay Automatic Telephone.

installations do not prevent each telephone from having unrestricted access to every other telephone in the installation, high speed of operation.

"Select-O-Phone" System. This system gives many facilities which are undoubtedly of very great advantage in a large business organisation. It provides a combined automatic interior telephone and a general, or factory, calling service. The general calling service, when combined with the Select-O-Phone automatic telephone service, provides a means of instantly locating and verbally connecting with a desired person anywhere in a building. It is not necessarily a part of the Select-O-Phone system, but the many advantages it offers makes it a valuable adjunct, especially for factories or large institutions. Its omission in no way interferes with the telephone service, as rendered by the Select-O-Phone, and it need not be installed unless desired. Provision is made in every system

for its addition at any time. The telephone service consists of an automatic switchboard and telephone instruments. It has an ultimate capacity of thirty-three direct lines and two extensions for each line. All of these are intercommunicating with each other. Party lines are used for varying reasons, but for an executive's assistant and others carrying on business of a similar nature together, a party line with code signalling is invaluable and preferable to separate direct lines. An unusual feature is the unlimited talking service, *e.g.*, any number of conversations may be carried on secretly, simultaneously, and without possibility of interruption, at the same time that other conversations are being carried on over both the general call and conference lines. The Select-O-Phone is built throughout on the unit plan. One of the chief objects, kept continually in mind in its development, was to design a system that would be flexible—one, the first cost of which would not be prohibitive to the user who required a small number of stations; but, at the same time, a system that could be added to, as requirements demanded. The standard desk instrument, including bell box containing the wire terminals, is practically identical in size and appearance with the usual desk telephone, used for city service, except that it contains the numbered (or directory) dial, with which the desired connection is obtained, without the services of a switchboard operator. To operate, the dial is turned to the number (or name) desired, the receiver lifted, and the ringing push button (located at the base of the instrument) depressed. The operation of the dial and the automatic switchboard complete the connection. When conversation is finished, the receiver is replaced on the hook. This breaks the connection and leaves the line ready for further use. The push button is also used for code signalling, and for sounding general call signals, when the call service is used.

HUCKABACK.—A coarse, soft fabric, generally of linen, much used for towelling. It is usually figured like damask.

HULK.—This is the name given to an old ship which is no longer fit for service and is made use of as a place for storing goods, etc.

HULL.—The body of a ship as distinguished from its masts, spars, rigging, etc.

HUNDRED WEIGHT.—One of the terms of avoirdupois weight, and generally expressed in written language by the abbreviation "cwt." It contains 112 lbs., and is subdivided into four equal parts of 28 lbs. each, known as quarters. The French hundred weight, called a quintal, contains 226.46 lbs., and the German one, called centner, is equal to 110.23 lbs.

HUNGARY.—In the preparation of the article on Austria and Hungary, in the first volume of the Encyclopaedia, it was mentioned that the future of the empire-kingdom was not settled at the date of writing. The final word on this part of the continent of Europe will have to be left until the Appendix is reached, when a new article will appear, but it is now possible to give a few particulars as to the state of Hungary which were not available six months ago.

Hungary was declared a republic towards the end of 1918. The territories of which it was formerly composed have been reduced by the Treaty of Versailles, part having been added to the Kingdom of Rumania, and part to the new state of Jugo-Slavia or Yugo-Slavia. Its exact position

is now shown by the map opposite page 136. The area of the republic is about 60,000 square miles, and the population, composed almost entirely of Magyars, is estimated at 12,000,000.

The general commercial and industrial conditions have been already considered under the title of AUSTRIA AND HUNGARY, but, of course, as will be seen from the map, the towns of *Fresburg*, *Agram*, *Fiume*, *Temesvár*, *Klausenburg*, and *Kronstadt*—all of which are mentioned in the above named article—are no longer within the boundaries of Hungary.

HUNTING.—There is a distinction that has been made, in old and modern law cases, between hunting foxes or otters, or other animals killed as vermin, and hunting them for the amusement of the chase. In the former case, being intended to be exterminated, it was held that their hunting was beneficial to the State, because they are noxious in themselves. Therefore, it was said they might be hunted even into the lands of another without trespass. This was laid down as far back as the reign of Henry VIII by many cases. The only restriction imposed was that no more harm must be done than is necessary to kill the fox or other vermin, as by unnecessarily trampling down hedges, or if the huntsman was accompanied by a large crowd. Nor would this right include entering another person's grounds and digging for the purpose of finding any such vermin as foxes or badgers.

But it is evident that this old view of the law has not much application to a state of things in which foxes and other vermin are, so far from being hunted for extermination, protected for the mere amusement of hunting them. In these changed circumstances, Lord Ellenborough decided in a case of *Earl of Essex v. Capel*, tried in 1809, that persons hunting for their own amusement over the lands of other persons are trespassers, and fox-hunters, like other hunters, may be warned off, and are liable to action of trespass. As to hunting the fox as vermin, he said: "Now if you were to put it on this question—Which was the principal motive? can a man of common sense hesitate in saying that the principal motive and inducement was, not the killing of vermin, but the enjoyment of the sport and diversion of the chase, and one cannot make a new law to suit the pleasures and amusements of those gentlemen who choose to hunt for their own diversion. Mere pleasures are to be taken only where there is the consent of those who are likely to be injured by them, and they must be necessarily subservient to the consent of others." Then he showed that it was never the law that foxes or other vermin could be dug out of another's land, and that a crowd has no right to follow the dogs and trespass. Later, an action was brought against the huntsman of the Berkeley Hunt, and it was held that damages might be recovered not only for the mischief immediately occasioned by the huntsman himself, but also by the consequence of people who accompanied him. A still stronger decision was given in a case, in 1827, of *Palmer v. Berkeley*, 3 C. and P. 32, where a stag, being lured by hounds, ran into the barn of the plaintiff and the servants of the defendant entered the barn to take the stag. Lord Tenterden said: "If a gentleman sends out his hounds and his servants, and invites other gentlemen to hunt with him, although he does not himself go on the lands of another, but those other gentlemen do, he is answerable for the trespass that they may commit

in so doing, unless he distinctly desires them not to go on those lands; and if (as in the present case) he does not so desire them, he is answerable in point of law for the damage that they do."

By the Game Act, 1831 (see title **GAME**), however, it is enacted that its provisions as to trespassers and persons found on any land shall not extend to any person hunting or coursing upon any lands with hounds or greyhounds, and being in fresh pursuit of any deer, hare, or fox already started upon any other land. The effect of this is not to take away the common law right of bringing an action of trespass as above described, but only to prevent summary proceedings before magistrates against the trespassers, such as the Act provides against poachers and trespassers in pursuit of game.

There is no property in any of the animals that are hunted, whether mere vermin or edible animals, until they are killed, then questions of property arise. Thus: "If A start a hare in the ground of B and hunt and kill it there, the property continues all the while in B, but if A start the hare in the ground of B and hunt it into the ground of C and kill it there, the property is in A the hunter; but A is liable to an action of trespass for hunting in the grounds as well of B, as of C."

This example, given by Chief Justice Holt in a case in 1690, may be stated in a general way. The owner of the soil, by virtue of his ownership, is entitled to everything that is found there and killed on his property, whether killed by his leave or by a trespasser. But if the hunter does not kill the animal where he started it, but on another owner's ground, he is himself entitled to it as against both competing landowners, and it is said to become the hunter's property by right of his labour and trouble in catching or killing it. Thus in *Churchward v. Studdy*, 1811, 14 East 249, a pack of hares hunted and caught a hare on the defendant's land, which had been started on the land of another. The defendant took away the hare. It was decided that the master of the hares had acquired the property in it.

Lords of manors have, under Enclosure Acts, their rights of hunting, shooting, etc., reserved, so that they have the right of hunting to the exclusion of the owners of the allotments, and even if the latter have enjoyed it concurrently for a period of twenty years, this does not deprive the lord of his exclusive rights.

Usually, it is necessary for persons intending to kill game to take out an annual game certificate (see **GAME**); but any person may pursue and kill, or join in the pursuit and killing of, any hare by coursing with greyhounds, or by hunting with beagles or other hounds, without having such a certificate. Nor is an annual game licence required for pursuing and killing deer by hunting with hounds.

HUSBAND AND WIFE.—In the present article it is intended to deal with the general law as affecting husband and wife, in so far as the law has relation to matters connected with commercial and general transactions. Such matters as divorce, judicial separation, and cognate affairs will only be referred to incidentally.

The relationship of husband and wife is considered in law as a contract, and in most respects the ordinary law applicable to contracts attaches to the state of marriage. It is necessary to recollect, however, that marriage is also considered to be a

status, and for the purpose of defining it more accurately it may be described as "the voluntary union of one man and one woman to the exclusion of all others." Consequently, no marriage in the English sense can be celebrated between parties, unless each of them is a member of a country which recognises monogamy. If this is so, it is immaterial what is the religious belief of either person.

Although, however, marriage is a species of contract, it stands in an exceptional position in more than one important aspect. In the first place, the contract is entered into for life. An ordinary contract is always capable of rescission by the mutual consent of the parties; a marriage cannot be dissolved except by the sanction of the State. In the second place, whereas an infant is not capable of entering into a contract in a general sense (see INFANCY), a marriage is quite legal in England, if it is duly solemnised, provided the husband is over fourteen years of age and the wife over the age of twelve. These ages are what are known as the ages of consent of the parties themselves, and there is now no necessity to obtain the assent of parents or guardians to constitute a valid marriage. If the marriage actually takes place, it is quite legal. But if it is intended that the marriage ceremony shall take place after the publication of banns of marriage, a parent or a guardian may forbid the banns, and if an objection is taken the publication is illegal, and the marriage, even though solemnised, will be void, provided the parties act wilfully and knowingly with the intention of evading the law. When a marriage is proposed to take place after the publication of banns between two persons who are apparently minors, and neither of them is a widower or a widow, the clergyman who officiates at the marriage should always inquire as to whether the consent of the parents or guardians has been obtained. There is no compulsion placed upon him to adopt this course. But if he does actually perform the ceremony after an objection has been made, he is liable to prosecution for a criminal offence.

It is assumed, naturally, that the domicile of the parties is English. Unless this is so in fact, the statements in this article would require revision, for it must never be forgotten that in connection with marriage it is the law of the domicile which must always prevail (See DOMICIL, INTERNATIONAL LAW).

Upon the marriage, the wife acquires both the nationality and the domicile of her husband. Before 1914, if a husband made a change in his nationality, the nationality, or domicile of the wife changed with his automatically. An alteration was made in the law by the British Nationality and Status of Aliens Act, 1914, whereby a wife of a British subject may declare her intention of retaining her British nationality—not necessarily her British domicile—in spite of any change on the part of her husband. (It may also be noticed, incidentally, that, by the same Act, a widow who was originally British, and who changed her nationality and domicile by marriage with an alien, may revert to her British nationality on the death of her husband.) When it becomes a question of matrimonial cases, this is a matter of the utmost importance. The English court which deals with matrimonial matters will not entertain any suit for divorce in England unless the parties are domiciled in this country. The husband can, therefore, under the existing law (but this will

probably be considerably altered in the immediate future) prevent his wife from obtaining a complete release from him by changing his domicile. But if there is a suit simply for judicial separation, residence on the part of the wife is sufficient to give the court full jurisdiction.

No persons may marry who are within the prohibited degrees of affinity as set out in the Book of Common Prayer. The most common instance of the ceremony of marriage taking place between persons who were within the prohibited degrees was that of a man intermarrying with his deceased wife's sister. Until 1907 such a union was illegal, but the old bar has been entirely removed by the passing of the Deceased Wife's Sister's Marriage Act, which came into force on August 28th, 1907. To this extent, therefore, the table in the Prayer Book now requires revision. But although a man is able to marry his deceased wife's sister, a woman cannot contract a lawful union with her deceased husband's brother. Members of the Royal Family are under certain restrictions as to contracting a valid marriage, but this exception requires no notice here. As above stated, there can be no valid marriage between an English man or woman and a member of a State which recognises and practises polygamy or polyandry. If any such marriage is solemnised, and it appears afterwards that such marriage ought not to have taken place on any grounds, the only course open to the parties is to obtain an order of nullity or dissolution by the court. This can only be effected by a suit instituted in the Divorce Court. Until such order is obtained, the marriage contract is regarded as a subsisting one.

The agreement of two persons to marry is known as the contract of betrothment. The promise of each to the other is the consideration required by the law of contracts for the promise of the other. But although persons may intermarry during their minority, no action is maintainable on the contract of betrothment against the party who is a minor. On the other hand, however, a minor can sue for damages for breach of promise if the other party to the contract is over age. The action must be brought through the next friend (*q.v.*). Mere ratification of a promise to marry made during infancy after the attainment of the age of majority is not enough to constitute a binding contract. There must, in fact, be a new promise. The promise need not be in writing, but the evidence of the plaintiff must be corroborated in some material particular. Even a married man may be sued in an action for breach of promise to marry, but it seems that in such a case the woman must be unaware of the fact that at the time of the making of the promise he was a married man.

In ordinary cases of contract, the cause of action is not affected by the death of either party. In cases of tort, this is not so. But when there is a breach of promise of marriage and the breach has arisen before the death of the party who is in default, no cause of action exists after the death of the defaulting party against his (or her) personal representatives. It is a case of *actio personalis moritur cum persona* (*q.v.*). It is asserted that the cause of action exists if the plaintiff's estate has suffered special damage, and such damage was contemplated by the parties to the contract at the time when the promise was made. This is extremely doubtful from the expressions used in the judgments of the Court of Appeal in *Quirk v. Thomas* (*Executor of*), 1916, 4 K B 516, where it was held

that a lady was not entitled to claim damages in such an action even though she had given up a profitable business in order to marry the deceased.

One other point in connection with this part of the subject is worthy of consideration. It is often imagined that gifts made by and to persons who are bound by the contract of betrothment are reclaimable by the giver upon a breach of the contract to marry. This is altogether erroneous. Unless there is a condition attached, any gift that is made between the parties, whether they are or are not betrothed, is on the ordinary footing of gifts. By English law a gift is irrevocable.

By the common law a husband and wife are considered to become one upon marriage. It has been already stated that a wife takes the nationality and the domicile of her husband, and she also adopts his name. This name she is entitled to retain after his death until she re-marries or adopts a new name upon her own initiative. (See CHRYSEID or NAME.) After a decree absolute of divorce, the wife retains her married name until she acquires another, by either re-marriage or repudiation, and it has been legally decided that she cannot be restrained from using her married name unless it is proved that she is acting maliciously, and even then only if it is a question of a title of honour.

The union of husband and wife was just as complete in respect of property as in respect of name, nationality, and domicile. The rights of the wife were merged in those of the husband, except in so far as any marriage settlements altered the rules of the common law. If, then, a woman was saddled with debts at the date of her marriage, her husband was liable at common law to liquidate the same. It was altogether immaterial whether the debts arose out of contract or out of tort. Now, however, since the passing of the various Married Women's Property Acts, the husband is no longer liable for any of her debts beyond the amount of the assets which he has received through her at the date of the marriage. Thus, if a woman is indebted to the extent of £1,000 at the time of her marriage and her whole property is of the value of £100, and this £100 comes into the hands of the husband, he is only liable to the extent of £100, and the creditors must look exclusively to the wife for the balance.

The rights at common law which a husband enjoyed in his wife's property remain as they were before the passing of the Married Women's Property Act, 1882, as far as parties married before the Act came into force, except in so far as they had been modified to a small degree by one or two previous statutes. But the Act just named has placed married women in a position of comparative independence so far as their property is concerned. For the purposes of contract wives are no longer considered as one with their husbands. They contract entirely as to their separate estate, and they may enter into contracts with their husbands as with other persons. The effect of the contracts made since the Act of 1882, and the amending Act of 1893, is to give married women considerably advantages without any of the disadvantages which attach to other persons. It is to be noticed that their powers as to the disposition of their estate were placed on the same footing as those of men by a special Act of 1907.

The peculiar position of a married woman as to her contracts is noticed in the article MARRIED WOMEN'S PROPERTY ACT, and the special exceptions to the general rules of law as to the relationship

of husband and wife in respect of property are noticed in the article MARRIAGE SETTLEMENTS.

In the state of marriage a very important point for consideration is the extent of the wife's authority to pledge her husband's credit. There is no special power given to the wife for such a purpose. It is sometimes imagined that the mere fact of marriage confers the right upon her, but this is quite incorrect.

The wife is, in reality, the agent of her husband, and, as such, enjoys no rights as to contracting with third parties except those which he actually gives her, or can be presumed to have given her.

The first case is clear enough, where the husband leaves his wife to manage the household, and actually tells her to procure such things as are necessary for the same. But even then this authority is limited, being confined to those things which an ordinary intelligent person would hold to be necessary for the household of the class of persons to which the husband belongs. There is no authority to indulge in wanton extravagance. In the second case a husband will be presumed to have given similar powers of contracting as his agent to his wife if he pays bills which she has incurred. This will act as an estoppel (*q.v.*), and the husband will not be able to repudiate his liability. The strength of this is shown in the case of a woman who is living with a man to whom she is not married, if she does, in fact, reside with him under such circumstances as to lead people to believe that she is his wife. If the woman regularly contracts debts and the man regularly pays the bills, she will be presumed to have his authority to contract as his agent in the same way as a wife would. The only method by which a husband can terminate this kind of liability is by forbidding his wife to pledge his credit any longer, and also by informing the tradesmen with whom she has previously dealt that she has no authority to do so. Express notice of revocation should be given, though it is unnecessary in the case of tradesmen with whom there have been no previous business relations. As is well known, advertisements are sometimes inserted in newspapers by which a husband purports to forbid his wife to pledge his credit. But these advertisements are of no value unless it is proved that they have actually come to the notice of the tradesmen with whom there have been dealings. Of course, if credit is actually given to the wife, there is no question of agency at all. The wife is the principal, and the husband is, in no wise responsible. The liability of a husband for the debts contracted by his wife in respect of household matters has been frequently litigated, and in a well-known case *Morty v. Earl of Warrington*, 1901, App. Ct. 11, it is stated that the fact that husband and wife live together and that necessities are supplied on the orders of the wife is not evidence that the husband and wife are jointly liable. The presumption that the wife has in such a case authority to pledge the husband's credit may be rebutted by proof that he made her an allowance and forbade her to pledge his credit, though this presumption is not known to those who apply the necessities.

There is no presumption in law that the husband has ever any right to pledge his wife's credit, and it is not how wealthy she may be, and how slight may be his means. There is no agency on the part of the husband except by express authority.

The agency of the wife, as above noticed, has been dealt with on the assumption that the parties

the living together. If a separation has taken place, the authority of the wife is much limited, or it may not exist at all. Thus, if a wife deserts her husband, being herself in fault, and refuses to return to him, even though he has not been guilty of cruelty or unfaithfulness, she has no claim upon him for anything. But if he has deserted her, or forced her to leave him by reason of his own bad conduct, she has, in addition to such remedies as divorce or judicial separation, a right to pledge his credit for necessities supplied to her by tradesmen. The amount of these necessities will depend upon the circumstances of the husband. This right, however, only applies after desertion where the husband does not make his wife any allowance, or, having agreed to make her an allowance, fails to pay her such allowance. And a husband cannot be compelled to allow anything for the support of his wife, however innocent may have been her departure, if she afterwards lapses into adultery.

If a husband is sued in any case, whether he is or is not liable in law, he must always take care to defend the action. If he allows judgment to go by default, he may have great difficulty in avoiding payment.

So much for questions of contract in which the husband and wife are interested more or less jointly. In other respects, modern legislation has made great changes in favour of a married woman in respect of contracts, but in tort (*q.v.*) the liability of the husband remains the same as it always was at common law. Thus, if a wife is guilty of negligence by which a third party is injured, or if she publishes a libel or a slander, the husband, however innocent, can be sued for the same, either alone or jointly with his wife, and he will be answerable for any damages awarded in respect of the tort. This, however, will not apply if the wife has obtained a decree of judicial separation. She is then solely liable for her own torts. In criminal law, if the husband and wife are jointly indicted, it is generally presumed that the wife has been acting under the coercion of her husband. She cannot then be proceeded against. This doctrine does not apply to the most serious offences, *e.g.*, murder, but it does protect her still in a large number of crimes which are of a grave character, such as larceny, forgery, etc. There is no immunity, of course, where the wife acts upon her own responsibility.

Before the passing of the various Married Women's Property Acts, the personal property of a wife became the absolute property of her husband immediately after the marriage of the parties, and he was also entitled to the rents arising out of her real property during his life. After her death he had also an interest in her real property, which is set out in the article on *CURTESY*. But these rights were always inchoate if there were any settlements in existence which nullified or limited them. With a few unimportant exceptions, the law on this subject has been entirely changed as regards those persons who have married since 1882. The wife is now complete mistress of her own property, subject, of course, to any settlements that have been made in respect of it. She has also full control over any earnings of her own obtained through her own skill or employment. Presents given to her become her absolute property, especially those given on the occasion of her marriage. Since the unity of husband and wife as to contracts has disappeared, a woman can enter

into a contract with her husband in the same manner as she is able to do with any other person. Thus, she can lend him money and sue for its return if it is not paid. But in one instance she will be postponed to other creditors of her husband. This arises when the money is advanced to assist him in a partnership business. Should bankruptcy ensue, the wife cannot come in as a creditor until the other creditors have been paid in full.

It has been stated above that a gift is, by English law, irrevocable. If, therefore, a wife receives gifts from her husband, these become her separate property, though they may be impugned on the ground of fraud if made shortly before the husband's bankruptcy, especially if they are of an extravagant nature. (See *BANKRUPTCY*.) But it has been decided that if a husband makes allowances to his wife for housekeeping expenses, and no special arrangements have been made, whatever savings she effects out of the amounts allowed are not her property, but the property of her husband. This was finally decided so recently as 1908, in the case of *Birkett v. Birkett*, 1908, 98 L.T. 54. A wife may also sue her husband in tort so far as her separate estate is concerned, but the husband has no corresponding right of action against his wife in respect of her torts against his property. By a special provision of the Married Women's Property Act, 1882, however, he may recover property of his own which his wife detains from him by means of what is known as an originating summons. Except as regards separate property, there is no right of action in tort by husband or wife against each other. Also, no criminal proceedings can be instituted by a wife against her husband whilst they are living together as to any property claimed by her. The same point is true if they are living apart, unless the property has been wrongfully taken by the husband when he is deserting or is on the point of deserting his wife.

The husband must clothe and maintain his wife and the children of the marriage, as well as any other children which she may have had before marriage. If he is unable to do so, the responsibility devolves upon the wife, and any separate property she may possess can be taken to support the husband, children, and grandchildren, if necessary. A husband has no right to pledge his wife's credit without her express authority, but if he becomes dependent upon the parish for relief, the poor law guardians will compel her, through the machinery of the law, to grant him a certain allowance.

In connection with the husband's duty to supply his wife with wearing apparel, a curious case as to the property in the same was decided by the Court of Appeal in *Roudean, Le Grand & Co. v. Marks*, 1918, 1 K.B. 75. It was there held that it was quite legal for a husband and wife to agree that the apparel of the wife should be merely lent to her by her husband and that the property in the same should remain vested in him.

The husband is, generally speaking, entitled to the custody and control of his children, and to have them educated in his religion, but these rights may be forfeited by his misconduct. The court will, however, require a very strong case to be made out against him before interfering with his natural rights. After his death, the mother becomes the guardian of the children, either alone or in conjunction with any other guardian or guardians appointed by the father. (See *PARENT AND CHILD*.)

There can be no doubt that formerly a husband might have compelled his wife to reside with him, or might have compelled her to admit him to her place of residence. Recent legislation, as construed by the courts, has completely altered this. A woman is perfectly justified in refusing to live with her husband, and if she declines to do so, his only remedy is to obtain an order for the restitution of conjugal rights. He is not entitled to keep her in confinement in order to enforce such restitution. This was settled in the well-known Jackson case in 1891. But if an order for restitution of conjugal rights is obtained, there are no means of enforcing the order. It can only be treated, if disobeyed, as a case of desertion, and as giving the aggrieved party a right to institute a suit in the Divorce Court for judicial separation. The question has been raised whether a wife is entitled to refuse her husband admission to her house, and to proceed against him as a trespasser if he dares to force his way into it. The point appears not to have been decided, but it is clear that he cannot authorise another person to trespass on his wife's property. A married woman is complete mistress of her own domain, just as though she were a *feme sole*, and her husband is perhaps in no better position than a third person.

In most cases, in former years, husbands and wives were compellable or expectant witnesses in either civil or criminal proceedings against one another. In civil matters, as far as commercial cases are concerned, this rule has been swept away completely. In other cases, not pertinent to this article, special legislation is provided.

If a husband deserts his wife, or refuses to admit her to live with him, she can also apply for an order for restitution of conjugal rights, and if this is disobeyed, she can afterwards sue for a judicial separation, and need not wait two years, or if adultery has been committed by the husband, for a divorce.

Any settlements made in consideration of marriage may be rectified after a decree pronouncing a dissolution of marriage. The nature of the rectification will depend upon the particular circumstances of the case.

As to the passing of property upon the death of a husband or a wife, see *INTESTACY, WILLS*.

HYDROCHLORIC ACID.—A pungent, colourless gas, noted for the chlorides or series of salts derived from it, of which common salt is the most important. It is also known as hydrogen chloride, and may be easily prepared from common salt by the action of sulphuric acid, the other product of the reaction being sulphate of soda. It is very soluble in water,

and the aqueous solution is known as spirits of salt or muriatic acid. The latter is much used in the arts. Hydrochloric acid is largely employed in calico printing, bleaching, dyeing, and for cleaning iron and other metals. In medicine it is used in very dilute form as an emetic, as an antiseptic, and as a tonic; it is also added to baths ordered in cases of rheumatism and similar affections. Its chemical symbol is HCl.

HYDROCYANIC ACID or PRUSSIC ACID.—A compound of carbon, hydrogen, and nitrogen produced by the decomposition of the amygdalin in almonds. It is prepared by passing sulphuretted hydrogen over dry cyanide of mercury. It is a most violent poison, one drop being sufficient to cause instantaneous death. Its salts, known as cyanides, are also poisonous. Potassium cyanide is useful in photography. Medically it is used in a very diluted form in lotions to diminish itching in skin diseases, and, taken internally, it relieves coughing, vomiting, and palpitation. Its chemical symbol is HCN.

HYDROGEN PEROXIDE.—A viscid, transparent liquid, with a bitter taste. It bleaches the majority of vegetable colours, and is employed in whitening ivory, feathers, etc. It is also much used for the hair. In dilute solution it is employed in the restoration of oil paintings. Its chemical symbol is H₂O₂.

HYPOTHEC.—This is a term used in Scottish law to denote a security given in favour of a creditor over the property of his debtor while the property remains in the debtor's possession. It is, in fact, what is generally denoted in English law as a mortgage, but it is further used to include what is known in English law as a lien, when goods, documents, etc., are in the possession of the creditor.

HYPOTHECATE.—To place or to assign property as security under an agreement, to pledge or to mortgage.

HYPOTHECATION.—The act by which property is hypothecated, i.e., pledged or mortgaged.

HYPOTHECATION, LETTER OF.—(See *LETTER OF HYPOTHECATION*.)

HYSSOP.—An aromatic plant, of which the common variety, *Hyssopus officinalis*, is a native of the Alps, Austria, and other countries of South Europe. It is now cultivated in the East. The leaves are used for culinary purposes and in the manufacture of absinthe. In a dried state the flowers act as a carminative and a stomachic, the medicinal properties being due to the presence of a volatile oil. A syrup prepared from hyssop is taken as a remedy for colds.

ICE|

I. This letter is used in the following abbreviations

I/I,	Indorsement irregular
Ib, Ibid,	In the same place (Latin, <i>ibidem</i>).
Id,	The same (Latin, <i>idem</i>).
Ins,	Insurance
Inst,	Instant, of the present month.
Int,	Interest
Inv,	Invoice
Ir,	Irredeemable

ICE.—Great Britain's supplies of natural ice are principally obtained from Norway, but a large quantity of ice is produced artificially through the abstraction of heat from water by the vapourisation of liquid ammonia or ether. The demand depends largely, of course, on climatic conditions, but a continuous supply is required for purposes of cold storage, especially in the case of ships bringing meat and other perishable provisions from abroad.

ICELAND.—(See DENMARK.)

ICELAND MOSS.—A lichen found in northern latitudes generally. It contains a large percentage of starchy matter, and, therefore, forms a nutritive food, especially for invalids, the naturally bitter taste being first removed by steeping in water. It is used medicinally in diseases of the lungs, and is also the source of an alcoholic drink.

ICELAND SPAR. A variety of calc spar or calcite, which is now very rare. Its value lies in its transparency and its double refraction, which render it almost unique for the construction of polarising instruments. Its chemical symbol is CaCO_3 .

IGNATIUS BEANS. The bitter seeds of the *Strychnos Ignatu*, a native of the Philippine Islands. They have some medicinal value, especially in cases of cholera. Their active principle is strychnine.

IMMEDIATE ANNUITY. This is an annuity which is payable, as to the first instalment, six months after the purchase thereof, and terminates at the death of the annuitant.

IMMEDIATE PARTIES.—(See BILL OF EXCHANGE, PARTIES TO BILL OF EXCHANGE.)

IMMIGRATION.—(See ALIENS.)

IMMORTELLES.—(See EVERLASTING FLOWERS.)

IMPERIAL.—(See FOREIGN MONIES.—RUSSIA.)

IMPERIAL STANDARDS.—The statutory standards which regulate the coinage and the weights and measures of the country. (See COINAGE, WEIGHTS AND MEASURES.)

IMPERSONAL ACCOUNTS.—These are accounts in book-keeping which deal with things and not with persons, such as charges accounts, cash accounts, goods accounts, etc. Another name for them is nominal accounts.

IMPLIED WARRANTIES.—For a general treatment of warranties, see articles on CONTRACT, SALE OF GOODS, and WARRANTIES AND CONDITIONS. The reader must bear in mind the meaning of the word "warranty," and the distinctions between a warranty and a condition, and between a warranty and a false representation and a guarantee. A warranty is generally made expressly between the parties to the contract to which the warranty is

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[IMP

alleged to be collateral, but in some transactions certain well-defined warranties are implied by law, *e.g.*, on the sale of goods; in agency transactions, where the agent impliedly warrants that he has authority to bind his principal (see AGENCY), in connection with articles of food, when a warranty is implied by the seller that the viands are fit for the food of man, in contracts concerning land, which, however, are somewhat beyond the scope of this work, and on the negotiation by delivery, and for value, of bills of exchange, promissory notes, and other negotiable instruments. In this case a transferor is deemed to warrant three distinct things to the person to whom he delivers the instrument: (1) That the instrument is what it purports to be, (2) that he has a right to transfer it, and (3) that he does not know of any fact which renders the instrument valueless. (See, as to these, BILLS OF EXCHANGE, etc.)

Sale of Goods. On a contract for the sale of goods a warranty is implied by virtue of the Sale of Goods Act, 1893, but only where the circumstances of the contract are such as not to show that the parties had a different intention: (1) That the buyer shall have and enjoy quiet possession of the goods. This, however, only extends to a freedom from interference by anyone claiming the goods under a title derived from the seller. A seller cannot, of course, prevent some person over whom he has no control asserting a claim to the goods or doing something to disturb the buyer in his enjoyment or possession of them. If the seller had no right to sell, then the buyer's remedy is for a breach of the implied condition as to title (see WARRANTIES AND CONDITIONS), which enables him to rescind the contract. It may well be, too, that the circumstances of the sale prevent the implication of such a warranty. For example, where goods are bought at a sale by a sheriff under a writ of execution, the sheriff gives no warranty, and if it turns out that he sold improperly, the buyer may find his right to hold the property upset by a claim from the true owner. The circumstances import a representation that the goods are not the sheriff's, and, therefore, cannot support an implication that the sheriff warrants the title of a purchaser. A similar state of affairs may exist when an article is bought from a person known to have been the finder of it. Here, the sale, unless in market overt (*q.v.*), must be subject to the rights of the true owner and loss of the article, if ever he comes forward to claim it. The seller does not warrant the title, and the utmost extent of his implied warranty for quiet possession will be that he will not himself do anything to affect the purchaser's enjoyment of the article.

(2) That the goods shall be free from any charge or encumbrance in favour of any third party, which is not declared or known to the buyer before or at the time when the contract is made.

(3) An implied warranty as to quality or fitness for a particular purpose may be annexed to a contract by the usage of trade. The existence of such a warranty will be entirely a matter of evidence in each case. The usage must be proved, and must be reasonable, and not directly in variance with the general law or the terms of the particular contract.

Marine Insurance. In a contract of marine insurance (*q.v.*) there are, under the Marine Insurance Act, 1906, the following implied warranties—

(1) In a voyage policy, that at the commencement of the voyage the ship shall be seaworthy for the purpose of the particular adventure insured.

(2) If the policy attaches while the ship is in port, that the ship shall, at the commencement of the risk, be reasonably fit to encounter the ordinary perils of the port.

(3) If the voyage is to be performed in different stages, that at the commencement of each stage the ship is seaworthy for the purposes of that stage.

(4) In a voyage policy on goods or other movables, that at the commencement of the voyage the ship is seaworthy as a ship, and reasonably fit to carry the goods or other movables to the destination contemplated by the policy.

(5) That the adventure insured is a lawful one, and that, so far as the assured can control the matter, the adventure shall be carried out in a lawful manner.

Miscellaneous Warranties. By Section 17 of the Merchandise Marks Act, 1887, it is provided that—

“On the sale or in the contract for the sale of any goods to which a trade mark, or mark, or trade description has been applied, the vendor shall be deemed to warrant that the mark is a genuine trade mark and not forged or falsely applied, or that the trade description is not a false trade description within the meaning of this Act, unless the contrary is expressed in some writing signed by or on behalf of the vendor and delivered at the time of the sale or contract to and accepted by the vendee.”

By the Fertilisers and Feeding Stuffs Act, 1906, the seller of manufactured or artificially prepared fertilisers of the soil or feeding stuffs for cattle or poultry, is bound to give a particular invoice to the buyer, and this invoice has the effect of a warranty of the statements contained in it. Also on the sale of an article for use as cattle or poultry food there is an implied warranty on the part of the seller that the article is pure and is fit for feeding purposes.

By the Anchors and Chain Cables Act, 1899, on a contract for the sale of an anchor exceeding 168 lbs. in weight, or of a chain cable, there is an implied warranty that it has been properly tested and stamped.

IMPORTATION.—The act of bringing goods into one country from another. (See CUSTOMS FORMALITIES.)

IMPORTERS.—The persons who are engaged in the importation of goods.

IMPORTING AGENT.—This is an agent whose business it is to superintend the importing of goods and their sale, and to remit the proceeds to his principal.

IMPORTS. The goods brought into a country from a foreign country in the way of commerce.

IMPORT TRADE.—It is a far easier matter to receive goods than to ship them abroad. There is not the same formidable routine to be gone through, although a number of forms have to be filled in, and the importer's greatest worry is with the Customs formalities.

First of all, it may be as well to consider what are the principal imports of this country, and how they are disposed of. Tea, coffee, sugar, and rubber find a market in London at the Commercial Sale Rooms, Mincing Lane; fruit at Covent Garden and

elsewhere; oil, seeds, etc., at the Baltic Exchange, London; wool at the Wool Exchange, London; whilst cotton goes mainly to Manchester and Liverpool. Almost all imports into this country are sold at the various exchanges by brokers who can, by virtue of their position, knowledge, and ability, command a ready market; but some firms there are who have their own plantations or factories abroad, and who receive the goods themselves and sell them wholesale.

The exporter abroad sends the importer the bills of lading, together with other documents, which latter, however, have nothing to do with the actual conveyance of the goods; but without the bills of lading it is impossible for the merchant to obtain possession of the goods on their arrival. In the event of the importer having his offices or warehouses in a place other than that at which the goods arrive, the bills are forwarded either to the shipping company or (if the merchant employs one) to the shipping agent at the port of arrival, to whom instructions are given to clear the goods and forward them to their destination. In this case, the shipping company (or the agent) will deal with the goods on their arrival, comply with the Customs demands, and forward the cases or packages to their destination. The forms in use by the Customs and information as to Customs regulations generally, are given under the heading of CUSTOMS FORMALITIES.

Some goods are not allowed to be imported into this country at all, whilst there are others which come in only under certain restrictions. Chief among the first category are certain substances of an explosive nature, extracts or concentrates of chicory, coffee, tea, tobacco, and infected animals; and among the second category, acetylene, addressed envelopes, and dogs. Amongst other things, the Customs authorities are entitled to confiscate or detain goods which do not show where they have been manufactured.

IMPORT TRADE, ORGANISATION OF. An importer, in the widest sense of the word, is any person who obtains goods from abroad either for his own account or in return for a commission. Hence, the term would include any person who occasionally derives goods from a foreign country without such importation forming an essential part of his regular business.

When used in a narrow sense, the term “importer” signifies a merchant who is engaged exclusively or to a large extent in the procuring of goods from abroad. In this sense importers may be divided into two groups—

(1) *Wholesale and retail dealers of the same kind* as those which are engaged in the home trade. As a rule these persons trade in a certain class or group of articles and keep a more or less extensive stock in order to meet the needs of home, even foreign consumers. It is only in areas which are highly developed commercially that such traders deal in a variety of lines (*e.g.* departmental stores). The goods are usually bought from abroad because they cannot be obtained in the home country either so cheap or so good.

(2) *General importers* are such persons who are principally engaged in the procuring of foreign goods, whilst the class of *go-down* dealer in a matter of secondary importance. They are usually prepared to deal in any kind of goods suitable for the import trade; they rarely keep a stock of their own, and are chiefly engaged in conducting business

with those countries with which it is difficult to deal directly (i.e., less civilised countries).

Direct Importation by Consumers. Amongst consumers, manufacturing undertakings play a most important part as direct importers in most European countries as well as in the United States. This is not the case, however, in the East and in most new countries. Here the industrial undertakings are altogether of lesser importance in economic life, and rely almost entirely on the raw materials produced in the country itself. This fact restricts the possibility of importation into such areas. Furthermore, the establishment of trading relations with buyers located at such great distances often presents special difficulties so that the trade is left to the importers settled in the country in question.

Importation by Retailers and Wholesale Warehousemen. (a) *Retailers.* Generally speaking it is not the function of the retailer to carry on an import trade. In the intercourse between Western European countries, where the purchase of goods from foreign manufacturers or wholesale dealers frequently presents no greater difficulties than buying in the home market, the retailer often covers his requirements from abroad. In the large cities retailers are frequently visited by foreign travellers or agents of foreign firms so that they can buy from foreign countries as easily as they can at home. In some lines, particularly in articles of fashion, it is sometimes customary for retailers to undertake journeys abroad for the purposes of buying. As a rule the retailers, as a clientele, have a relatively small capital and but little commercial experience, so that business dealings with them are comparatively difficult and expensive. On the other hand, higher prices can be obtained from retailers than from wholesale dealers. If it is desired to enter into commercial relations simultaneously with the retail and wholesale traders of one and the same area, the rational conduct of business necessitates the adoption of a price policy similar to that adhered to in the home trade, viz., the wholesaler must be offered prices sufficiently low as to enable him to realise a profit and be able to compete by re-selling to the retailers; or the policy must be adopted of excluding articles which have been sold to wholesalers from sale to retailers. In extra-European trade the retailer is of but small importance as an importer, although an exception may be made in the case of the departmental stores of the United States.

(b) *Wholesale Warehousemen.* A large part of the import trade of the United Kingdom, in so far that it is not conducted directly by consumers and retailers, is carried out by wholesalers similar to those engaged in the home trade. Likewise the prevailing method of trade is similar to that of the home trade. As a rule, the importers do business on their own account and rarely as buying commission agents. Naturally, direct intercourse with the ordinary wholesalers is developed more easily if the area of sales is at a short distance so that communication by letter, the transmission of samples and occasional visits, can be carried out without difficulty. Partly for this reason exportation to Canada is more frequent than that to South American countries, exportation to South Africa more frequent than to Australia, and exportation to Persia from Russia more frequent than from other European countries.

The General Import Trade. The general importer forms a commercial link which intervenes as a rule between the exporter abroad and the wholesale

warehouseman in the country of importation. Such an importer sells almost exclusively to wholesalers at the place where he has his business, although he is always inclined to sell to large manufacturers and other large scale producers. It is only as an exception that he sells to retailers.

The general importer is the mediator of imports from countries from which the wholesale warehouseman is either unable or unwilling to import direct, and the soil is the more favourable for the development of this special import trade, the less the wholesale warehouseman in the country of importation is able to carry on direct trade. The chief sphere of operations of the general importer is therefore to be found in over-sea areas with which the ordinary wholesale trade is not fitted to open up direct trading relations.

Procedure in the Import Trade. On the receipt of the bill of lading from the consignor abroad, the importer's first duty is to ascertain when the ship carrying the goods is expected to arrive. This is done by enquiry at the office of the ship-broker or by a careful watch of the arrival of vessels as reported in the shipping newspapers, so that as soon as the ship arrives the proper measures may be taken to obtain possession of the goods. These measures consist of—

- (1) Passing the necessary customs entries; and
- (2) Carrying out the requirements of the ship's representative.

Customs Formalities. It is the duty of the importer to pass a custom's entry for his merchandise, and his procedure will vary according to the nature of the imports. Alternatives are usually open to him—

(a) Where the imports are required for immediate home consumption; and

(b) Where the imports are not required for immediate home consumption, but are placed in a bonded warehouse.

Taking the first case, let us suppose an importer desires his goods to be passed immediately for home consumption, and desires to pay duty at once. He goes to the Customs House and passes an "Entry for Home Use *ex Ship*." On this entry must be given such particulars as are necessary to enable the Customs House officials to identify the goods on their discharge from the ship, and also such further particulars of the goods as are required by the Government for statistical purposes. Upon this entry the importer is required to state the exact nature of the goods, their value, and weight. The duty is then assessed on his declaration. When duly stamped and passed by the customs officials, this document acts as the merchant's warrant for claiming the delivery of his goods. It is presented to the customs officers at the place of importation, who, in turn, examine the goods, and, if the examination agrees with the merchant's declaration, the delivery is allowed.

Where dutiable imports are intended for warehousing, the merchant is required to pass a "Warehousing Entry" and a "Landing Order." On the warehousing entry the particulars of the goods are stated in the same way as on the "Entry for Home Use *ex Ship*," but there is no immediate payment of duty. The entry is forwarded to the customs officers at the warehouse in which the goods have to be placed. The landing order is forwarded to the officers at the dock where the ship is lying; and the goods are not allowed to be landed and delivered to the warehouse until this document is presented

by the merchant to the customs officer at the dock. These documents being in order, the goods are delivered to the specified warehouse, where they are examined and recorded. When the importer desires to obtain his goods from the warehouse, he is required to pass a "Home Consumption Warrant" at the Customs House. This document is divided into three parts—

(1) The particulars of the goods are entered on the body of the form, with a statement of the amount of duty chargeable.

(2) The amount of duty paid is entered on another part of the form, which is retained by the officials receiving the duty.

(3) The third part of the form, known as the "Delivery Order," is forwarded to the warehouse-keeper, and acts as his authority for the delivery of the goods.

So far the procedure in regard to dutiable goods only has been mentioned, but the great majority of the imports into the United Kingdom are duty free. For these an "Entry for Free Goods" has to be passed and the operation of "passing" these entries is precisely the same as that of passing entries for dutiable goods. (See CUSTOMS FORMALITIES.)

The duty of dealing with the ship's representative is of a less formal nature since the ship broker, unlike the customs officer, does not represent a government department. Particulars of the various goods landed and warehoused having been supplied by the various dock companies to the ship-broker, he then proceeds to make out and supply to each consignee a "Freight Note" for the goods consigned to him. On receipt of this it becomes the duty of the importer to examine it by checking the weights and rates charged. If correct, the amount due is paid by the importer, in exchange for which he receives the warrants for the goods. In most cases a definite time is named on the bill of lading within which the consignee must apply for his goods; that is, he must have passed the customs entries and obtained the warrants for the goods from the ship-broker. If no time is stipulated on the bill of lading, twenty-four hours is the time legally allowed.

The last duty of the importer in regard to his goods would probably be the settlement of the amount payable for dock or wharf charges. These vary owing to the fact that the companies take into consideration the value of the goods and the amount of labour necessary to be expended upon them to prepare them for sale. A list of these rates is issued and supplied to all importers. The dock companies and wharfingers are entitled to retain possession of the goods until their charges are paid.

IMPOSTS.—The general name applied to taxes, especially those which are levied upon imports.

IMPOUND.—Whenever it is considered necessary, in the interests of justice, that documents used in the course of any trial should be retained for the purpose of being considered by the law. Officers of the Crown, they are said to be impounded. They are, in fact, in the custody of the law.

Also when goods are taken in distress (*q.v.*), they are also held to be in the custody of the law, and to be impounded. Any person who interferes with them whilst thus held is guilty of "pound breach."

IMPRESSED STAMPS.—These are special stamps which are required on the following documents—

Assignments of Life Policies
Conveyances

Inland Bills of Exchange (except when on demand, at sight, on presentation, or not exceeding three days after date or sight, when either an adhesive or impressed stamp may be used).

Inland Promissory Notes
Letters of Allotment
Memoranda of Deposit
Mortgages
Scrip Certificates
Transfers

Stamps may be impressed on all instruments except where an adhesive appropriated stamp is necessary. (See APPROPRIATED STAMPS.) In certain cases (*e.g.*, a guarantee under hand) either an impressed or an adhesive stamp may be used. (See ADHESIVE STAMPS.)

IMPRISONMENT FOR DEBT.—It is sometimes said that imprisonment for debt has been abolished. It is more accurate to say that while a fraudulent debtor will be punished in this way, an honest debtor will not. Default in payment of a sum of money renders a person liable to imprisonment in the following cases: (1) Default in paying any penalty, not being a penalty in respect of any contract; (2) default in paying any sum recoverable summarily; (3) default by a trustee or person acting in a fiduciary capacity and ordered by a court to pay a sum in his possession or under his control; (4) default by a solicitor in payment of costs when ordered to pay costs for misconduct or in payment of money when ordered to pay it, as an officer of the court which makes the order; (5) default in paying for the benefit of creditors any portion of a salary or income under an order of a bankruptcy court; (6) default in payment of sums for which orders for the payment of debts due under judgments and orders of court by instalments or otherwise are in the Debtors' Act, 1869, authorised to be made.

The last paragraph above set out shows that this form of compulsion survives in the jurisdiction of the court to order a judgment debtor to be imprisoned for non payment of the judgment debt, where it is shown that he has the means to pay, but will not do so. In such a case he is committed to prison as for contempt of court. A county court judge may exercise this jurisdiction, but if, before the debtor is delivered into custody, money is paid into court, the bailiff holding the order, on receiving notice of payment, must indorse on the order the amount thereof and deduct the same from the amount indorsed on the order, and the order of commitment then operates as a commitment for the balance remaining due. The debtor may also, at any time before delivery into custody, pay the bailiff the amount indorsed on the order; and on receiving such amount the bailiff must discharge the debtor. If payment is made when the debtor is in prison, the gaoler must discharge the prisoner; and the debtor may also be discharged on the request of his creditor. (See DEBTORS' ACT.)

IMPROVED GROUND RENT.—When land is conveyed in consideration of the payment of a certain annual sum, the payment thus made is called a ground rent (*q.v.*). If, now, the person to whom the land is conveyed builds upon the same, and so enhances the value of the land, he is enabled to sell this interest at a higher figure. He is said to have created an improved ground rent.

IN BALLAST.—When a ship leaves a port without cargo she is said to be in ballast, as she carries

Some kind of weight, *eg*, sand, gravel, etc., to give her stability.

IN CASE OF NEED.—A referee "in case of need" is the person whose name a drawer or any indorser may insert in a bill of exchange, to whom a holder may resort in case the bill is dishonoured, by non-acceptance or by non-payment. The words are usually placed in the left-hand bottom corner of the bill, as "In case of need with the English Bank, Ltd., London." A holder may please himself whether, or not, he resorts to the referee.

Where a dishonoured bill contains a reference in case of need, it must be protested for non-payment before it is presented for payment to the referee in case of need. (Section 67, Bills of Exchange Act, 1882.) (See ACCEPTANCE FOR HONOUR, REFERENCE IN CASE OF NEED.)

INCH.—A linear measure, the twelfth part of a foot, and equal in length to three barleycorns.

INCHOATE INSTRUMENT.—An incomplete document, as, for example, a stamped bill form, signed by a person and handed to another person to fill up and make a complete bill.

By Section 20 of the Bills of Exchange Act, 1882:—

"(1) Where a simple signature on a blank stamped paper is delivered by the signer in order that it may be converted into a bill, it operates as a *prima facie* authority to fill it up as a complete bill for any amount the stamp will cover, using the signature for that of the drawer, or the acceptor, or an indorser, and, in like manner, when a bill is wanting in any material particular, the person in possession of it has a *prima facie* authority to fill up the omission in any way he thinks fit.

"(2) An order that any instrument when completed may be enforceable against any person who became a party thereto prior to its completion, it must be filled up within a reasonable time, and strictly in accordance with the authority given. Reasonable time for this purpose is a question of fact.

"Provided that if any such instrument after completion is negotiated to a holder in due course it shall be valid and effectual for all purposes in his hands, and he may enforce it as if it had been filled up within a reasonable time and strictly in accordance with the authority given."

It is important to notice that an incomplete bill must be filled up strictly in accordance with the authority given. If a person signs a stamped form

as an acceptor and hands it to another person to fill up in a certain specified manner and to sign it as drawer, and the drawer exceeds his authority, the acceptor will not be liable thereon to the drawer but if the bill is negotiated to a holder in due course he will be liable to such a holder. By accepting a bill in blank, an acceptor may thus find himself in the difficult position of having to pay a very much larger sum than he intended to pay when he placed his name to the paper. Although there may be cases in which it is necessary for an inchoate document to be issued, it is always a risky matter and little sympathy can be felt for anyone who thus allows himself to be defrauded.

IN CLEARING.—This is a term used in connection with the Clearing House (*q v*). When a bank makes an exchange of cheques with another bank, those cheques which are received constitute the "in" clearing, whilst those that are given out form the "out" clearing.

INCOME.—The gain, profit, or revenue arising from a business, investments, or any other source.

INCOME AND EXPENDITURE ACCOUNT.—

This is in effect a profit and loss account or revenue account, and deals with actual income whether received or not, and actual expenditure whether paid or not, but is the form used by clubs, societies and other such non-trading concerns for presenting the final accounts for a period. In these cases the income is derived from subscriptions, etc., of the members, and the object of the account is to show that the income is sufficient for the upkeep of the club or society. The balance is not stated as profit or loss, but as "surplus of income over expenditure," or "deficit—being excess of expenditure over income." The surplus balances are accumulated as capital, and may be invested to assist future income, or expended as considered advisable in certain directions, as, for instance, in the case of a club, in more lavish expenditure for the comfort of its members.

An income and expenditure account should not be confused with a receipts and payments account (*q v*).

INCOME TAX.—The income tax, in its present form, was originally imposed in 1799. It was looked upon, in the first instance, as a war tax, and between 1816 and 1842 it was abolished with the exception of a single year. In the last-named year, however, it was revived, and although various propositions were made at different times for its discontinuance notably at the dissolution of Parliament in 1874, it

Dr				Income and Expenditure Account for year ending 1900				Cr			
	£	s	d		£	s	d		£	s	d
To Rent, Rates, Light, and Insurance	550	0	0	By Entrance Fees	24	0	0				
" Salaries	250	0	0	" Annual Subscriptions	1,400	0	0				
" Servants' Wages	295	0	0	" Billiard Room Receipts	80	0	0				
" Printing, Stationery, etc.	74	0	0	" Wines, Spirits, and Cigars	300	0	0				
" Legal Expenses	16	0	0								
" Repairs to House & Furniture	48	0	0								
" Wines, Spirits, and Cigars used	223	0	0								
" Interest on Loans	40	0	0								
" Depreciation of Furniture and Fittings	120	0	0								
" Balance of Income over Expenditure for the year	188	0	0								
	£1,804	0	0						£1,804	0	0

was declared in 1907 to be a permanent tax. Between 1907 and 1914 it was changed in certain particulars, and then was introduced the super-tax. Then came the period of the Great War, and the rates rose year by year. As a consequence of the great indebtedness of the country it is impossible to hope for any substantial reduction in the tax for a generation at least, though its rates and incidence must vary from year to year according to special exigencies, and the Finance Act of each year must be consulted for the latest rates in every case. The various enactments relating to income tax which have been passed since 1842 were consolidated by the Income Tax Act, 1918, but considerable changes are contemplated. The law as it stands at the time of going to press will be found fully set out and explained under **TAXATION**.

INCOMMENSURABLE.—This is a word used chiefly in mathematics, and signifies a number which cannot be represented as a definite fraction, *i.e.*, the ratio cannot be expressed by two whole numbers. The roots of the vast majority of numbers—square, cube, or higher—are incommensurable. So also is the circumference of a circle as compared with the diameter.

INCONVERTIBLE PAPER CURRENCY.—This is the name given to paper money which cannot be converted into cash at its face value on demand, but which must be accepted as representing the value which is printed upon it. When paper money is inconvertible it usually falls in value, since it is uncertain whether the obligation of the issuer will be carried out. In reality the paper is at a discount, though it is often said under such circumstances that gold and silver are at a premium.

INCORPORATED COMPANIES.—The idea of the formation of joint stock companies is not at all modern. The associations or companies established before 1862, however, were on a peculiar footing, and may be divided into two classes—incorporated and unincorporated. Incorporated companies were, in fact, corporations (*q.v.*), and were created either by Royal Charter or by a special Act of Parliament.

The granting of a charter of incorporation is a special prerogative of the Crown which remains to the present day, though its exercise is of very rare occurrence, and is only brought into play when peculiar powers are required by the company seeking incorporation. Among the best known instances of companies incorporated by Royal Charter are the East India Company, 1600, the Bank of England, 1694, and the British South Africa Company, 1889.

The formation of companies by special Acts of Parliament arose out of the movement for the construction of canals in England in the middle of the eighteenth century. The construction of railways in the early part of the nineteenth century caused the companies incorporated by special Acts to multiply, and later on other companies which undertook the working of docks, tramways, etc., sought for and obtained incorporation in the same way. The number of companies seeking incorporation and requiring similar powers eventually became so great that Parliament passed a number of Acts—such as the Companies Clauses Consolidation Act, 1845, the Railway Clauses Act, 1845, the Land Clauses Consolidation Act, 1845, and various others—to meet their peculiar requirements, where these requirements were of the same kind, thus saving the expense which would

otherwise have been entailed if each company had been compelled to procure a lengthy special Act on its own account. Each new company took advantage of these Acts, and incorporated the provisions of them in its own special Act by reference.

Although companies incorporated by Royal Charter or by a special Act of Parliament are in many respects similar in their powers to joint stock companies, there are some points in which they differ. A full knowledge of their powers and their privileges can only be gained from a careful study of the Charter or the special Act, as the case may be. There are, however, two peculiarities as to chartered companies which may be noticed: (a) The members are not, generally speaking, liable at common law for the debts of the chartered company, and (b) The chartered company has all the rights and powers of an ordinary person, which cannot be modified by anything contained in the charter of incorporation in limitation of them, though it is always possible for the Crown to cancel the charter of incorporation in case there is an exercise of powers exceeding those granted by the charter. On the other hand, in the case of a joint stock company: (a) The members of the company are liable for the debts of the company up to the nominal value of the shares which they have taken, or up to the amount of the guarantee which they have given; and (b) the business capacity of such a company depends entirely upon the memorandum of association, and this cannot be exceeded by the directors, or, if exceeded, cannot be ratified.

Companies incorporated by special Acts of Parliament more closely approach joint stock companies than chartered companies, yet, here again, one or two points of difference are worthy of notice. Thus, companies incorporated by Act of Parliament are (a) Limited as to their powers by their special Act, but at the same time they are not restrained from committing what would be held to be nuisances without parliamentary sanction; (b) Under a peculiar kind of liability, as far as the individual members are concerned, if execution is levied against the company and is not satisfied; (c) Limited as to their borrowing powers; and (d) Unable to transfer their rights except by consent of Parliament. In the case of a joint stock company, (a) The powers of the company, as already pointed out, are limited by the memorandum of association; (b) The liability of the members is limited by the nominal value of their shares or by their guarantee; (c) The borrowing powers of the company are only limited by the express terms, if any, contained in the memorandum of association; and (d) There is no restriction as to the transfer of the whole undertaking of the company unless the memorandum makes one. (See **COMPANIES**.)

INCORPORATED LAW SOCIETY. (See **LAW SOCIETY**.)

INCORPORATION, CERTIFICATE OF. (See **CERTIFICATE OF INCORPORATION**.)

INCREMENT, UNEARNED.—A term used to signify the increase in value of land which results from independent causes and not from any special expenditure of labour or money laid out upon it. Take an illustration. Land increases in value because of an increase in population, the demand being greater. This is an instance of unearned increment. It has been a matter of great controversy whether this increment should belong to the owner of the soil or to the public generally.

INCREMENT VALUE DUTY.—A duty imposed by the Finance (1909-10) Act, 1910, upon the increment value of any land, at the rate of one pound for every complete five pounds of that value accruing after April 30th, 1909.

The increment value is the amount by which the site value of the land, at the time the increment value duty was to be collected, exceeds the original site value.

The duty was payable upon any transfer on sale of the fee simple of land, or of any interest in the land, or the grant of any lease exceeding fourteen years, and upon the death of any person where land passes upon the death, and where land is held by any body, corporate or unincorporate, in such a manner that it is not liable to death duties, upon such periodical occasions as are provided by the Act (*viz.*, April 5th, 1914, and in every subsequent fifteenth year). If the body corporate or unincorporate so desired, the duty might be paid by fifteen equal yearly instalments, and the first was due immediately after the assessment.

As, at the time of going to press, it appears that this duty is to be abandoned, no further details need be given here.

INDEMNITY.—Compensation for loss or injury. Contracts of fire, marine, and accident insurance are examples of contracts of indemnity. An indemnity must be carefully distinguished from a guarantee, on account of the different legal requirements of the two. (See **GUARANTEE**.)

Where a deposit receipt, or a banker's own note, or a dividend warrant, has been lost, the banker may agree to pay the amount on receiving a suitable indemnity or security to preserve him against any loss in so paying. In the case of a deposit receipt, the indemnity should accurately describe the lost document which the banker has agreed to pay without its production, and should state the consideration for which the indemnity is given, thus "in consideration of your so paying the amount of the said receipt." The persons who give the indemnity should undertake and agree, jointly and severally, to hold the banker harmless and indemnified against all loss, costs and damages which he may at any time or in any manner sustain in consequence of so paying the said receipt. It should also contain an undertaking to return the receipt if it should be found.

An indemnity under hand is subject to a stamp duty of 6d. Indemnities in suitable forms are used in connection with other matters than lost documents.

INDEMNITY INSURANCE.—This is one of the branches of insurance under which the person insured is indemnified against a specific loss which he may sustain, the amount he is entitled to claim being measured exactly by his loss. In that way an indemnity insurance differs from life insurance (*q.v.*), and it is also to be distinguished from marine insurance (*q.v.*) in various particulars. For the sake of convenience the subject has been arranged alphabetically under the separate headings for the different classes of indemnity insurance.

1. ACCOUNTANTS' INDEMNITY.—This class of insurance is one of the most recent to be added to the contingent risks undertaken by insurance companies. Lloyd's underwriters are credited with having first brought the matter before the public.

The object of the insurance, as its title implies, is to indemnify auditors and accountants against their liability for loss arising through any act of

negligence, default, or error on the part of themselves or their servants in the conduct of their business.

At common law a master is responsible for all negligent acts of his employees, whereby an innocent person is made to suffer some loss, provided the acts complained of are committed in the course of the employment. A master may, in consequence, find himself called upon to defend an action for damages owing to the carelessness of one of his employees. Every care and discretion may be exercised in the selection of a staff, yet it is not possible to eliminate altogether the risk of a mistake occurring, however efficient its members may be. The same remark applies, of course, to the principals themselves, perhaps in a less degree, for reasons which will be obvious. When a mistake does arise, the principals may find themselves involved in a lawsuit resulting in serious monetary loss should a verdict be given against them. The strain thus placed upon the resources of the principals, coupled with the probable loss of clients, might conceivably spell ruin to the firm. An insurance, the object of which is to indemnify an employer against losses arising from such causes, will, therefore, appeal with peculiar force to the accountant's profession.

The following examples, in which it is submitted an action for damages would lie against an accountant, will enable the reader to see the legal position more clearly.

A firm of accountants is employed to examine periodically and to audit the books of a society. The Secretary to the society, by manipulation of the books over a lengthy period, misappropriates £5,000. Had the accountants performed their duties in a thorough and efficient manner, it is improbable that so large an amount could have been misappropriated; therefore, lack of diligence in auditing the books would give cause for an action by the company.

Again, accountants are consulted by an intending purchaser of a business for advice as to the value of the business, and by negligent valuation the purchasers are led to pay more than it is worth. In such circumstances it would seem that a good cause of action would lie against the accountants.

Further, accountants are invited by a contractor to draw up a balance sheet. Through some carelessness on their part the balance sheet shows the contractor to be in a much more substantial position than is actually the case. Relying on the report of the accountant, the contractor enters into new contracts, which, however, he ultimately finds he cannot carry out owing to his mistaken position. The contractor might rightly claim to be indemnified.

Contract. The conditions of the policies vary with the offices. At first, the indemnity granted was limited to claims made or discovered during the *continuance* of the policy, or within six months of the lapsing thereof. Whilst such limitations still appear in the contracts of some companies, the tendency is to extend the cover so as to indemnify the insured in respect of claims which may arise as the result of an act committed during the *currency* of a policy, irrespective of whether it is in force at the time the claim is made.

Proposal. Proposals are accepted from all qualified accountants of good standing and repute, providing they can show a good record in the matter of claims. The principal questions put to a proposer are—

(1) The length of time he has been established in business

(2) The class of auditing clerks employed

(3) Whether any error has been made which might give rise to a claim, or for which a claim has already arisen

Premium. The approximate rate charged by companies for a first class risk is 5s. for each person employed, including the members of the firm, and 10s. per cent. on the amount of the bond. A minimum bond of £1,000 is required for every three clerks and partners.

2 **BAGGAGE INSURANCE.** The insurance of traveller's baggage was in vogue in the early part of the nineteenth century. It is one of the many boons which the practice of insurance has given to mankind, and although in degree of importance a minor blessing as compared with some of the other branches of insurance, yet it is the means of adding greatly to the relief, and, therefore, to the pleasure, of those who travel.

As travelling increased, insurance companies made a special branch of this class of insurance. It was undertaken, in the middle of the nineteenth century, by the Maritime Passengers' Insurance Company, founded 1851, also the Travellers' and Marine Insurance Company, established 1845. At the present day it is underwritten by the majority of offices.

Contract. The insurance covers the packages and articles specified, by sea and land, and in all buildings, ships, places, and situations during the period of insurance against fire, loss (including theft or pilfering), and damage caused by sea water. But the company is not liable for depreciation of, or damage to, any package or its contents, unless caused by sea water, nor for any loss in respect of delay, confiscation, or detention by Custom House or other officials or authorities, nor for any cash, bank notes, bonds, negotiable instruments, title deeds, travelling tickets, coupons, or securities of any kind, nor for sticks or umbrellas, nor for jewellery, trinkets, watches, gold or silver articles, field or other glasses, unless the same shall have been separately specified and separately valued, nor for any claim whatsoever in respect of jewellery, and the articles named, lost from, or in any registered baggage, nor for loose articles which did not at commencement of the journey form part of the contents of any of the packages insured, nor in respect of any article of clothing whilst being worn.

It is an essential condition of the insurance that the whole of the passenger's baggage is insured, and for the full value.

In the event of the loss of any package or part of its contents, the same will be paid for in proportion to the total amount insured.

Bicycles or tricycles and their detachable parts will not be covered unless separately insured.

Notice of any loss must be given as soon as possible to the Head Office of the company, or to the agents through whom the policy is issued, or to the nearest of their representatives if the assured is abroad.

In the event of a claim, the insured will be required to give reasonable proof of ownership of the baggage and of the loss sustained, and must, if required, make an affidavit or statutory declaration in substantiation of any claim as provided in the policy.

It will be noticed that each package, trunk, or bag must be described in the proposal, and the approximate value of each stated. Jewellery and such like articles must be separately mentioned and specially valued, and it is an essential condition of the insurance that the whole of the baggage be insured and for the full value.

Premium. The table shown below gives an approximate idea of the rates prevailing for this class of insurance.

3 **BOILER INSURANCE.** In the year 1859 a company named the Steam Boiler Insurance Company was established, having as its chief object the protection of users of steam boilers against the risk of injury to person, and damage to property of the public arising out of an explosion of a boiler, or a breakdown of an engine. The insurance also covered the loss sustained by the owner in respect of damage to his own property, including the boiler and engine. This company was reorganised in 1865, and again in 1896, and is now known as the Vulcan Boiler and General Insurance Company.

Several offices now undertake the insurance, amongst them being the Manchester Steam Users, the Ocean, Accident and Guarantee Corporation, Ltd., the Employers' Liability Assurance Company, Ltd., and the London and Lancashire Fire Insurance Company, Ltd.

Various Acts from time to time have been passed by the legislature governing the use of steam boilers, notably the Boiler Explosions Acts of 1882 and 1890, under which the Board of Trade is empowered to appoint commissioners to hold investigations into the causes of all boiler explosions. The Acts also provide for the infliction of penalties upon such persons as may be held responsible for explosions. The definition of a boiler under these Acts is—

"Any closed vessel used for generating steam."

	15 days'	21 days'	30 days'	45 days'	60 days'	75 days'	90 days'	Not exceeding 6 months'	Not exceeding 9 months'	Not exceeding 12 months'
	Pre-mium and Duty	Pre-mium and Duty	Pre-mium and Duty	Pre-mium and Duty	Pre-mium and Duty	Pre-mium and Duty	Pre-mium and Duty	Pre-mium and Duty	Pre-mium and Duty	Pre-mium and Duty
£20.	1 9	2 6	3 3	4 0	4 9	5 6	6 7	0 12	0 16	1 0 6
£30.	2 6	3 8	4 9	5 6	6 0	7 6	9 0	0 18	1 4 0	1 10 6
£40.	3 3	4 9	6 3	7 3	8 0	10 0	12 0	1 4 0	1 12 0	2 0 6
£50.	4 0	6 0	7 9	9 0	10 0	12 6	15 0	1 10 0	2 0 0	2 10 6
£75.	6 0	8 9	11 6	13 6	15 0	18 9	22 6	2 5 0	3 0 0	3 15 6
£100.	7 9	11 6	15 3	17 6	20 0	25 0	30 0	3 0 0	4 0 0	5 0 6

" or for heating water, or for heating other liquids, or into which steam is admitted for heating, steaming, boiling, or other similar purposes."

Under the Factory Act of 1901, the users of steam boilers are compelled to have a thorough examination of the boilers once in every fourteen months.

In view of the obligations imposed by these Acts, and to the fact that the owner of a boiler is responsible for the competence of the person employed to make the examinations, the advantage of being able to arrange with an insurance company, whose engineering staff is accepted by the Board of Trade as competent to undertake the work, cannot be over-estimated. Besides this, the insured is given the benefit of the experience of the company on matters affecting the efficiency of the boiler, the question of coal supply, and the causes of waste.

The objects of a boiler insurance company is defined in the prospectus of one well-known company as follows: "The work of the company is directed to the prevention of explosions and to the preservation of the boilers by detecting, and by suggesting remedies for, the influences that weaken, lessen the utility, and shorten the life of steam plant, while increasing both the cost and the danger of working it."

It will thus be seen that the sphere of an up-to-date boiler insurance company is not merely limited to the inspection and reporting upon boilers, in order to enable the users to conform to the requirements of the Act, and the indemnifying of users against loss or damage occasioned by an explosion. Most of the companies are prepared to act in an advisory capacity, and a special staff of engineers is employed for the purpose of preparing specifications for supervising the construction of new boilers, and for dealing with matters affecting the economy and efficiency of power-producing and distributing plants.

Contract. A comprehensive policy covers—

(1) The periodical inspection of the boilers, and the furnishing of reports in accordance with the requirements of the Act.

(2) Damage to the boiler resulting from explosion.

(3) Damage to the surrounding property, whether belonging to the insured or to the general public, resulting from explosion.

(4) Injury to persons, whether employees or the general public, resulting from explosion.

In the body of the policy are set forth the number and description of the boilers insured, the maximum load permitted to be placed upon the safety valves; and the maximum liability of the company in respect of claims for damage or personal injury.

The term, "explosion" is usually defined to mean a violent tearing asunder of a boiler.

The company is not liable for ordinary wear and tear, leakage, cracks, holes, or flaws, unless an explosion results as defined by the policy, nor for damage arising from wilful acts of the insured, nor for explosions due to exceeding the maximum pressure stipulated for the particular class of boiler.

Most companies make two or three examinations during the year, including one thorough examination, internally and externally.

Premium. The rates vary a good deal with the offices. A policy covering the inspection risk only is naturally much cheaper than one combining

inspection and insurance. Again, the premium varies according to the amount of insurance required. Approximately a combined policy costs 3s. per cent. on the amount of the indemnity and £1 for the inspection risk, that is to say, a policy covering the insured up to £1,000 in respect of the risks specified under 2, 3, and 4 of the before-mentioned table would cost £1 10s., plus £1 for the inspection risk, i.e., £2 10s.

Proposal. A person desiring to effect an insurance is required to furnish the company with particulars of the risk on a form containing the following questions—

- (1) Name of works and where situated.
- (2) Number and description of boilers.
- (3) Makers' name and address.
- (4) Date of make.
- (5) Maximum pressure on safety valves.
- (6) Has any company declined the insurance?
- (7) Nature of known defects, if any.

4. **BURGLARY INSURANCE.** Burglary insurance is one of the subsidiary branches of insurance undertaken by the accident department of an insurance company, but it is by no means an unimportant one, either from the companies' point of view of premium income, or from the standpoint of public usefulness.

For rating purposes the insurance is divided into two broad divisions, i.e.—

- (1) Private house risks.
- (2) Trade risks.

The outstanding difference in the contracts issued in respect of these risks is that a policy on the contents of a private house covers, almost without exception, the risks of burglary, housebreaking, and larceny, whereas a policy for business premises only covers burglary and housebreaking.

DEFINITIONS. Before proceeding to deal with the principle of burglary insurance, it is desirable that we should understand what is meant by the terms burglary, housebreaking, and larceny in an insurance contract.

Burglary means forcible entry during the night (i.e., between 9 p.m. and 6 a.m.) into a dwelling-house and/or business premises, with intent to commit felony, or being in such premises and breaking out.

Housebreaking means forcible entry of premises with intent to commit felony during the day (i.e., between 6 a.m. and 9 p.m.).

Larceny means theft not preceded by forcible entry. This may be committed by—

- (a) Persons lawfully on the premises, i.e., servants, tradesmen, and the like.
- (b) Persons unlawfully on the premises who have gained access without using force.

Private House Contracts. The policy issued for private house risks indemnifies the holders against loss of, or damage to, the insured property, at the address specified in the proposal, by burglary, housebreaking, and larceny, including theft by servants, actual theft by members of the insured's family is excluded, but where a theft is merely expected or brought about by such member the policy will extend to cover any loss or damage resulting therefrom.

The policy is one of **indemnity**, and the company is only liable to pay the intrinsic value of the property stolen or damaged.

During recent years the companies have extended the insurance to cover the insured property, during any period or periods not exceeding two calendar

months in any one year, at any hotel, boarding-house, or private house where the assured may be temporarily residing.

The companies' liability is limited to the sum specified in respect of any one article, and all sums paid in claims from time to time are to be counted in diminution of the amount insured during any one period of insurance.

The insured is allowed to leave his house unoccupied for a period or periods not exceeding two calendar months in any one year without notifying the company, but should he desire to exceed this period, permission must be obtained and any necessary additional premium paid.

Exceptions. The insurance does not usually extend to cover loss or damage whilst the premises are in the occupation of a sub-tenant, or when occasioned by civil commotion or riot, or caused by fire or explosion, nor loss or damage to bonds, deeds, bills of exchange, promissory notes, money or securities.

Premium. The rates charged for private house risks are usually 2s. per cent., subject to the full contents being insured, and provided the value of the jewellery and gold and silver plate does not exceed one half of the sum insured in respect of the household effects.

Example. Where the value of the total contents of a house is £600, the greatest amount allowed in respect of jewellery, etc., would be £300. Should the latter items exceed this amount, an extra premium would be charged.

A limit of 5 per cent. of the sum assured is placed on any article (excluding pianos and organs), unless otherwise arranged.

Trade Risks. It now remains for us to deal with a totally different aspect of burglary insurance, *i.e.*, its application to trade risks.

It will be obvious that the two classes of risks are in most respects different, and call for different procedure on the part of those underwriting the business.

Trade risks are more diversified, and the hazard is greater or less according to the locality, the class of goods to be covered, and the construction of the building in which the goods are stored.

Contract. Briefly, a policy of insurance on business premises covers the utensils and stock-in-trade against loss or damage caused by burglary or housebreaking, but excluding deeds, bonds, and cash in till; occasionally a company will agree to cover a limited amount of cash if kept in an approved safe.

Loss by riots and/or civil commotion is not covered, *neither is loss brought about by servants or members of the insured firm.*

The exclusion of larceny under a policy issued on business premises is very necessary from the companies' point of view, and a moment's reflection will suffice to convince the most optimistic of the inadvisability of a company undertaking the risk.

We have seen that the definition of the term "larceny" includes theft committed on any premises where there has been no forcible entry, and that it may either be committed by servants or persons lawfully on the premises. Consequently it will be at once seen that to include this risk under a trade policy would involve the company in liability for losses sustained in the following circumstances—

- (1) Shoplifting.
- (2) Shortage of stock due to appropriation by employees.

Further, the inclusion of larceny under trade policies would possibly have the effect of causing employers to be less careful in the selection of their employees—in other words, it would greatly enhance the moral hazard which is always a matter demanding very careful attention.

The following tables are representative of the classes into which risks are divided, and the approximate rates for each class.

Classification. *Class I Risks.* Grocers, chemists, bakers, booksellers, china and glass merchants, confectioners, ironmongers, and photographers.

Class II Risks. Clothiers, boot and shoe manufacturers, fancy goods dealers, stationers, and the like.

Class III Risks. Cigar merchants, cycle dealers, picture dealers, licensed victualliers, sub-post-offices, and the like.

Special Risks. Jewellers and silversmiths, pawnbrokers, furriers, and the like (many offices decline to quote for these risks).

The approximate rates of premium are—

Premium.	P. Premises occupied at night	H. Un-occupied.
Class 1 Risks	3s. 6d. per cent.	5s. per cent.

The rates for other classes vary according to the respective experience of each company. Many of the offices, however, regard some of the risks enumerated in these classes as undesirable.

These rates apply conditionally upon the total stock being insured.

Proposal. The principal questions, and those which determine whether the risk is insurable or not, are—

- (1) (a) How are the outer doors secured?
- (b) How are windows (front and back) on ground floor protected?
- (c) How are skylights (if any) protected?
- (d) How is the trap-door (if any) in roof protected?
- (2) Are the premises left unoccupied at night?
- (3) Have the premises ever been entered by thieves? If so, how is their means of access now protected?
- (4) Have you previously proposed for burglary insurance?

It is customary to have all business premises surveyed before accepting a risk.

5. EXCESS BAD DEBTS. It is on record that a form of bad debt or solvency guarantee insurance was attempted during the period of the South Sea Bubble.

The business to day is being underwritten only by a very few companies.

In view of the excessive credit system in vogue to day, losses, by reason of bad debts, are sure to occur, however carefully a business is conducted. The risk of loss by bad debts is ably enhanced by the fact that traders and merchants have perforce to take larger risks in order to earn the same profit as was formerly earned on a smaller turnover.

The prudent trader will make the necessary provision by creating a reserve or suspense account to meet the normal losses which inevitably arise in all business undertakings, but it is when these losses are of an abnormal and extraordinary nature that they become a matter of grave importance to him, often times ending in his capital being seriously depleted.

The object of excess bad debt insurance as now practised is to insure traders and merchants against a proportion of the losses arising through the

inability of customers to meet their accounts. The trader who avails himself of the cover granted by a policy of insurance knows that even if his losses from bad debts happen to assume abnormal proportions he cannot lose more than an amount which he is able to meet. The ease of mind thus produced enables him to trade with greater confidence, and to extend his connections with less fear of having his profits wiped away.

Some companies are prepared to cover a proportion of the loss arising on *any individual account*, whereas others require the whole of the accounts of customers to form the basis of the insurance.

It is contended that the former method lends itself to a selection against the company, the tendency of insurers being to cover only those accounts where doubt exists as to settlement.

Proposal. The usual procedure when an insurance is desired to be effected is for the proposer to submit to the company, on certain prescribed forms information as to the—

- Nature of the trade carried on
- Names of countries in which business is transacted
- Estimated gross turnover, also the losses for the past five years, including current year.
- Largest net loss on any one account
- System of credit to customers
- Steps taken to obtain references regarding new accounts
- Limit of credit granted to any one customer.

Conditions of the Insurance. The insurers guarantee under the policy, subject to certain specified conditions, to pay to the insured such amount as he may lose during the period of insurance, through the insolvency of his debtors, in excess of a certain sum, the amount to be borne by the insured varying with the circumstances. A limit is fixed by the insurers in regard to their liability for any individual case or account (should the insured exceed such amount of credit, he does so entirely at his own risk), also in respect of their total liability under the policy during any one year of insurance.

Certain stipulations and conditions are laid down governing the opening up of new accounts after the insurance has been effected, the method of arriving at a settlement of a claim where one arises, etc.

As previously mentioned, the insurance does not provide a complete indemnity, the merchant having to bear a certain percentage of the loss before the policy becomes operative, and such amount is determined by ascertaining the average amount of his yearly losses over a specific number of years prior to effecting the insurance. The following example illustrates the principle involved:—

A merchant effects a policy for £5,000, his proportion of the loss being fixed at, say, 7500. In the event of loss amounting to £3,500, the insurers will pay him £3,000.

Premium. Many points have to be considered before the company can arrive at a premium for a risk; due regard must be had to the nature of the business, the amount of "first" loss to be borne by the insured (which sum is based on the previous losses sustained by him), the class of customers, and the contingencies with which the proposer trades.

6 FIRE INSURANCE. It will be obvious in a work of this kind that it is only possible to deal very briefly with such a highly technical subject as fire insurance. Full justice could only be done to

the subject by dealing with one particular phase of it, but it will, perhaps, afford instruction to a greater number of the readers of this work if instead of specialising upon one particular branch of the insurance, the matter is dealt with in a non-technical style and the main principles governing it explained.

First, it will be interesting to take a glance in retrospect and trace briefly the history of the insurance.

The history of fire insurance as now generally carried on by companies dates from the Great Fire of London in the year 1666. The basis of most of the societies or companies at this early period was founded upon a system of mutual contribution. In 1680 a joint stock company named "The Fire Office," with offices at the back of the Royal Exchange, was founded. A commencement having been made, however, companies followed one another in quick succession. Among the more important of the earlier companies may be mentioned the Hand-in-Hand, the Sun, the London Assurance, and the Royal Exchange, all of which are still in existence.

In the year 1782 an Act, known as 22 Geo. III. c. 48, was passed "for charging duties on person whose property shall be insured against fire." The duty was at first 1s. 6d. per cent on amount insured, increasing to 3s. per cent in 1815. The imposition of this duty was a serious handicap to the development of the business, but it was not, however, abolished until 1869. During the early period of fire insurance, and, in fact, up to the year 1866, the companies maintained their own fire brigades. In that year the Metropolitan Board of Works took over the duties which had up to then devolved upon the companies. The duties are now undertaken by the London County Council.

In 1858 the leading British offices combined and instituted what is known as the Fire Offices Committee, with the object of bringing about a uniformity in the contracts, and to enable a more satisfactory classification of risks for the purposes of rating, obtainable only by the pooling of the experiences of a large number of offices.

The associated offices, being freed from the burden of maintaining their own fire brigades, founded the London Salvage Corps. This body is distinct from the fire brigade, though as far as possible they work in harmony with each other. Their duties are to preserve and take charge of property when a fire occurs, with a view to minimising the companies' losses, and also to act in an advisory capacity to the Fire Office Committee.

Contract. Indemnity is the essence of a fire insurance contract.

Under a fire policy, the company undertakes to indemnify the insured, up to an amount specified for any loss or damage by fire to the property insured.

From this it will be seen that the indemnity under a fire policy is limited to the actual loss or damage to the property insured, and takes no account of other losses which would naturally result to a merchant whose stock or premises are destroyed by fire; for instance, the loss of profit which he would have received upon the turnover of his goods but for the fire. We need not dwell further upon this phase of the subject, as it will be full dealt with later.

Insurable Interest. The Act of George III, passed

in the year 1774, and commonly known as the Gambling Act, makes it unlawful for a person to effect an insurance upon the property of another unless he has a pecuniary interest. An interest to be insurable must partake of the nature either of a legal or of an equitable right. For instance, a mortgagee or trustee of a property would have an insurable interest.

Proposal. A person desirous of effecting an insurance must furnish the company with the fullest particulars possible of the risk to be covered, upon a prescribed form. The completed proposal forms the basis of the contract, and as any misstatement or concealment of material fact vitiates a policy, it is important that due attention be given to the answering of the questions contained in the form.

• In proposing for an insurance on goods, it should be remembered that a fire policy only covers such goods as are contained in the premises specified in the schedule. Therefore, a policy issued in respect of the contents of a private house would not cover goods stored in an outhouse, unless specially mentioned when effecting the insurance.

For an insurance on the contents of business premises, the companies require separate amounts to be placed upon

- (1) Stock and utensils in trade
- (2) Fixtures and fittings
- (3) Plate glass and plate glass fronts
- (4) Goods in trust or on commission
- (5) Machinery and plant

Before granting an insurance upon business premises, it is usual for the company to have the risk surveyed. Pending the report of their surveyor, the proposer is held "covered," should he so desire, upon the understanding that a premium representing the time on risk be paid.

Policies and Conditions. Broadly speaking, fire insurance is divided into two classes, *i.e.*, private house and business. As the conditions of the private house policy present no special difficulty, we will confine our remarks to the policy used for business risks.

Policies for twelve months or for longer or shorter periods can be arranged. Those extending beyond twelve months are known as "long period," and those under twelve months "short period," policies.

"Short period" policies are mostly issued in connection with merchandise at docks or warehouses, and "long period" policies in respect of private house risks.

Insurances may be effected to cover—

- (1) Buildings
- (2) Contents
- (3) Rent and rates and taxes

Policies covering the contents of a particular building are known as "specific policies." Where a merchant, as is often the case, has goods stored in several places (for instance, in dock, bonded stores, or warehouses), the values of which are constantly fluctuating, it is usual to insure under what is termed a "floating policy."

• **Conditions.** *Removal of Goods.* If at any time during the currency of a policy, goods which are the subject of the insurance are removed from the building described in the policy, the company's liability ceases, unless its sanction has been obtained.

Alteration in Premises. The office should be advised of any contemplated structural alterations

or internal re-arrangement before the work is put on hand. Equity demands this in fairness to the company, who, as one of the contracting parties, should be given an opportunity of deciding whether the alteration or addition entails any increase in the fire hazard, and whether or not it is a risk they are prepared to accept under the policy.

Exceptions. Unless otherwise arranged, fire policies do not cover deeds, bonds, money, stamps, or books of account. Nor are the companies liable for loss arising from earthquake, hurricane, subterranean fire, or invasion, civil commotion or military or usurped power, or loss or damage caused by explosion, other than explosion of coal gas, in a building not being part of any gas works, nor for damage to goods or utensils whilst undergoing any process in which the application of fire heat is necessary, or damage caused by spontaneous combustion. Loss or damage caused by lightning, whether the property insured be actually set on fire thereby or not, is, however, covered.

Transfer of Interest. Where insured property is transferred or assigned without first notifying the company, the policy in so far as such goods are concerned becomes inoperative. The reasonableness of this clause will at once be seen, it being obvious from the point of view of the moral hazard that the company should know something of the person it is insuring.

Warranties. Warranties are inserted in policies by the companies as a means of limiting the hazard which they are undertaking, by preventing the insured from obtaining protection on the understanding that certain methods of manufacture or heating and other matters are not carried out, and subsequently introducing these methods. For instance, there are many trades where the necessary work can be done either by hand or by the use of power machinery, and if an insured has stated that no power machinery is used, he will get the benefit of a low rate of premium, and his policy will contain a clause to the effect that it is warranted that there be "no power machinery used on the premises."

• **Rating of Risks.** In connection with private house risks, the uniform rates of 1s. 6d. per cent on the building and 2s. per cent on the contents apply.

With regard to business risks, the question of rating is a much more complicated matter, the rates depending upon a variety of circumstances, such as the construction and situation of the building, the nature of the trade carried on, the character of the goods from the point of view of salvage, the method of lighting and heating, and in some trades the number of hands employed, etc.

The rate for the building generally follows the rate for the particular trade carried on, and where the building is occupied by a number of tenants carrying on different trades, then the rate charged for the building is the trade carried on therein is applicable to the whole of the tenants, as well as to the building itself. The same remark applies when two or more buildings communicate, *i.e.*, are not divided from each other by some fireproof method of construction.

For rating purposes buildings are divided into two broad divisions.

- (a) Brick and stone buildings
- (b) Buildings in which the party and external walls are built of these materials alone

- b) Brick and timber, stone and timber, or iron and timber buildings } Those where any timber, lath and plaster, is used in the external or party walls.
- c) Timber buildings } Those entirely built of this material.

Construction. From time to time certain Acts have been passed enforcing certain conditions in regard to the construction of buildings. The London Building Acts, 1894 and 1905, the provisions of which are of the greatest importance to insurance companies, may be cited.

External Hazard. This is an important factor from the point of view of rating; indeed, the surrounding or adjacent buildings may be of such a character as to make the particular risk uninsurable, although in itself a desirable one. Where a building is in close proximity to another, one of the chief points to consider is whether there are any openings, doors or windows, opposite to each other, in which case this is so the risk from exposure is much greater.

Internal Hazard. Particular attention should be paid by the insuring company to the heating of the building. All chimneys, stoves, and other heating apparatus should be fitted so that there is no exposure to woodwork.

Where a flue passes through a wall not built entirely of brick or stone, the aperture should be protected by an iron plate inserted in it.

The floor space around fireplaces should be constructed of stone or an incombustible material. Fenders, either iron or stone, are a further necessary protection.

Gas brackets should be placed at a reasonable distance from any woodwork or inflammable material, and as far as possible be made fixtures. In certain trades lights should be protected by wire cages.

Consideration should also be given to the precautions taken with a view to combating a fire when one arises. Many factories are to-day fitted with fire-extinguishing appliances such as automatic sprinklers, and it has been found from experience that where these are installed the fire hazard is considerably reduced. The companies fully recognise this, and a special reduction in the rate is made in such cases.

Where premises are lighted throughout by electricity, a reduction is allowed off the normal rate.

Adjustment of Losses. In the event of a fire, the insured must immediately give notice in writing to the company in accordance with the conditions set forth in the policy, and furnish *such reasonable proof as the circumstances of the case admit*; he must also state whether any other parties are interested in the damaged property, and if such should prove to be the case, the various parties will apportion the loss between themselves.

The company may, if it chooses, enter into, and keep possession of the building in which the loss has occurred until such time as the claim is adjusted. In the event of a bogus claim being put forward, the company is freed from liability; but a distinction must be drawn between a claim in which the value of the destroyed articles is merely exaggerated, and one where a claim is made for the loss of something which has never really existed.

We observed in the earlier portion of this section

that a fire policy is a contract of indemnity. It follows, therefore, that in the event of loss, the insured will only be entitled to claim an amount which represents the intrinsic value of the articles at the time of the fire, due regard being paid to wear and tear and depreciation. The actual loss can only be regarded as a basis or medium for arriving at the value immediately prior to destruction.

The conditions of the policy invariably give the company the right either to settle the loss by a cash payment, or to reinstate, or repair, the damage. So far as buildings are concerned, this right is statutory, granted by the Acts of George III and Victoria. Where a company elects to reinstate a property, it is liable for bad workmanship.

The same principle of indemnity applies equally to buildings as to goods, and the company's liability is the actual value of the buildings destroyed, not the cost of putting up new ones. So also in the case of damage to unfinished goods in the hands of a manufacturer, it is usual to take the cost of production, excluding any addition for profit, as representing the damage. Also where machinery is damaged, if it can be repaired, the sum recoverable is represented by the amount it will cost to put it into the same, or as good, condition as it was before the fire.

In cases of loss under a farming stock policy, the insured can only claim to be indemnified up to the market value of the property destroyed.

Under "Valued Policies," which are occasionally issued on the contents of private houses, and on works of art (following on the system practised in connection with marine insurance), the question of the actual worth of the articles at the time of a fire does not arise, as a definite sum is fixed for each article when the policy is effected.

Fire rates are based upon the assumption that the full value of the stock or goods is being insured. Where this is not done, the company protects itself by inserting an average clause in the policy. The effect of the average clause would be that if, and when, an insurance is for an amount less than the full value, the company is only liable to make good such a proportion of the loss as the sum insured shall bear to the total value of the property at the time of the fire, that is to say, the insured is his own insurer for the excess value of the property, and so liable for a proportionate share of the loss.

Where the insurance is for the full amount, the question of the salvage is a matter of adjustment between the insured and the company, but where the average clause comes into operation, and the insured has to bear a proportion of the loss, he is entitled to share in the salvage for an amount equal to the uninsured portion.

Besides the above clause, which is called the "pro rata average" condition, there are two further conditions of average in use amongst the companies, i.e., the "second condition of average" as applied to "floating policies," and the "three-fourths condition of average" which is used in connection with farming stock policies. Both have important bearing upon the question of the apportionment of losses, but they are too complicated to enter into here.

The liability of the company for loss in any one period covered by a single premium is limited in respect of each description of property to the sum insured thereon; all sums from time to time paid

to the insured by virtue of the policy in any period, as before stated, being accounted in diminution of the amount insured for such period.

Arbitration. It is a condition of most fire insurance contracts that in case any difference or dispute shall arise between the insured and the company under the policy, such difference shall be referred to arbitration in accordance with the arbitration clause contained therein.

The object of the clause is twofold: in the first place, it benefits the company, in that it prevents the insured running up very excessive law costs, which the company may ultimately have to pay, and, secondly, it benefits the insured in that any dispute he may have will be settled by reference to an expert in fire insurance matters.

Consequential Loss Insurance. We have seen that the ordinary fire policy, whilst it covers damage to a building and its contents, does not provide compensation for loss of trade resulting from the interruption of business consequent upon a fire.

Owing to the vastly different conditions which obtain in the commercial world to-day, the importance of a more complete indemnity is steadily being recognised by business men, and a demand is springing up for a fire policy which will include within its cover the risk of consequential loss.

In fairness to the companies, let it be said that they are not only responding to the need, but are taking active steps to impress upon all merchants and manufacturers the importance of being protected against the risk.

Policy. A "Consequential Loss" policy covers *Loss of net profits* arising from partial or total stoppage of business due to a fire;

Payment of Standing Charges such as Rent, Rates and Taxes, Interest on Debentures, Mortgages and Loans, Insurance Premiums, Advertising, Salaries to Permanent Staff and Wages to Skilled Employees, Travelling Expenses, etc.;

Increased Working Expenses such as Rent of Temporary Premises, Hire of Machinery, or additional cost of Raw Materials, etc.

Proposal. Before an insurance can be effected, the companies require the applicant to answer certain questions, amongst which may be mentioned—

Premium. The rate of premium varies according to the nature of the risk and the period for which the indemnity is required. Usually the rate per cent is the same as that charged, under the ordinary fire policy.

Adjustment of Losses. When a claim arises under the policy, an accountant is mutually appointed by the insured and the company to ascertain the loss, and his certificate is regarded as conclusive. The cost of the certificate is borne by the company.

In all businesses there is a certain "standard" and any reduction in this standard resulting from a fire, and which denotes a corresponding reduction in profits, is the measure of the consequential loss sustained.

The standards of "turnover" for trading concerns and "output" for manufacturing concerns are mostly applicable, but the companies are prepared to issue policies based upon other standards to meet individual cases.

The method employed in arriving at the compensation payable when a claim arises is a simple one. The accountant ascertains the shortage between—

(1) The amount of the standard in each of the months following the fire in respect of the period for which the insurance is effected; and

(2) The amount of the standard in the corresponding months of the previous year.

Such percentage of the shortage as the sum insured bears to the total amount of the standard for the twelve months immediately preceding the fire, together with an allowance in respect of the increased cost of working incurred in carrying on the business, represents the compensation due under the policy, provided always such sum does not exceed the actual percentage of the net profits to the standard obtaining in the year immediately preceding the fire.

The following example will clearly illustrate the method of adjusting losses—

A policy is effected for £5,000, covering loss of net profits and specified standing charges for a period of indemnity limited to, say, six months after a fire.

A fire occurs, say, on December 30th

(1) Nature of Business carried on ?	.....
(2) Are your Books regularly Audited ?	.....
<i>If so, please state how often, and give</i>	.....
<i>Name and Address of your Auditor</i>	.....
(3) Have you at present any Insurance covering Loss of Net Profits and Standing Charges ?	.....
<i>If so, give details</i>	.....
(4) Has any Proposal made by you for Fire Insurance or Loss of Net Profits and Standing Charges been declined ?	.....
<i>If so, give details</i>	.....
(5) Have you ever suffered Loss by Fire ?	.....
<i>If so, state particulars.</i>	.....
• Total amount of the Annual Fire Insurances with all Companies on the contents of the Premises to which the insurance is to apply (excluding Dwelling Houses, Offices and Stables)	.....
Total Annual Premium paid in respect of such Insurances.	.....
Name of Fire Insurance Company having the largest share of such insurances.	.....

The accountant ascertains—

(1) That the turnover for the twelve months immediately preceding the fire was £50,000

(2) That the percentage which the sum insured bears to that turnover is 10 per cent

(3) That the percentage of net profits and the specified standing charges in the financial year immediately preceding the fire to the turnover for that period was not less than 10 per cent

The loss is, therefore, arrived at as follows—

Month	Turnover in year preceding the fire	Turnover after Fire	Shortage in Turnover	At 10 per cent.	Monthly Loss
January ..	£ 4,000	£ 1,500	£ 2,500	£	£ 250
February ..	5,000	1,500	3,500	"	350
March ..	5,000	2,000	3,000	"	300
April ..	5,000	3,000	2,000	"	200
May ..	5,000	4,500	500	"	50
June ..	4,500	4,500	Nil	"	Nil
Total Loss ..					1,150
Increased cost of working incurred, say					500
Total amount payable ..					1,650

7 GUARANTEE INSURANCE. The term "guarantee" is of wide application, inasmuch as all insurances are guarantees in one form or another, but the term is here used to designate in particular those insurances which have to do with the due performance of duties pertaining to positions of trust.

History records that a form of fidelity guarantee insurance was projected as far back as 1720, and the scheme had for its object the insuring of loss sustained by masters and mistresses as a result of thefts by their servants. The project was made known through the Press, and the public were invited to take up shares in the concern on the following conditions: Each £1,000 share to be subject to a payment on application equal to 6d per cent; calls made should not, in all, exceed 10s per cent during the first year. No one person was permitted to subscribe for more than 3,000 shares.

The Fidelity Guarantee Insurance Company, founded in 1840, was the first to place an insurance on modern lines before the public; the company's registered address was 19, Birch Lane, London, E.C. The objects of the society were clearly set forth in a memorandum issued by them in the following terms:—

"To obviate the defects of the system of suretyship by private bondsmen, which is universally acknowledged to be attended with various inconveniences and objections, instances have constantly occurred in which persons of the highest respectability have been obliged to forego valuable appointments, from either the great difficulty of obtaining security, or a repugnance to place their relations or friends and themselves under obligations involved therein.

"The Society undertakes, on the payment of a small premium per cent per annum to make good,

in case of default by fraud or dishonesty, any losses which may be sustained, to an amount specifically named and agreed upon in their policy, and by such means obviate the necessity for private sureties, as well as the obligations arising therefrom, which often prove as prejudicial to the best interests of the employers as to the party seeking guarantee."

In 1842 a stimulus was given to the business by the recognition by Parliament of an insurance bond

In that year a special Act was passed, confirming the Act of 50 Geo. III c. 85, which made it incumbent upon holders of Government offices to find sureties, and making it lawful for the Lord High Treasurer and Commissioners of the Treasury to accept the bonds granted by the Guarantee Society in lieu of personal sureties previously in vogue.

From this time onward, a number of companies were founded for the transaction of the business, several offices combining life assurance with the guarantee of fidelity.

The necessity for an insurance of this kind as a protection to an employer is unfortunately only too often demonstrated by cases which must have come under our notice of persons of previously good character who have misappropriated the money of their employers.

The unsatisfactory feature attaching to private suretyship of a person being placed under an obligation to his friends or relatives to act as sureties for him, and of the absence of real security afforded by such personal bonds, owing to the possible decease or bankruptcy of the surety, are entirely removed by the substitution of an insurance company's bond.

The argument in favour of an insurance bond as against a private surety is well put in the following extract from a pamphlet written in 1843 by the late Mr. C. Sanderson, for some years deputy chairman of the Guarantee Society—

"In the discharge of trusts between parties united by daily friendly intercourse, there is a natural repugnance to allude to a deed providing security for their faithful performance and proceeding on the assumption of the possibility of dishonesty in a friend, in whatever station of life he may be placed. The instrument, therefore, loses much of its controlling power, and is less likely to prevent

(PROPOSAL FORM IN CASE OF GUARANTEE INSURANCE)

1. STATE AT FULL LENGTH your Christian Name and Surname, and Place of Residence
2. Age and Place of Birth
3. Whether Single, Married, or a Widower
4. Whether a Householder
5. Whether any Family, if so (a), what number of Children? (b) How many are wholly dependent upon you, if partially dependent, how many and to what extent?
6. What is the amount of security required?
7. The nature of employment
8. What will be largest amount of "Cash in hand" at any one time?
9. (a) What amount of salary you receive in respect of this appointment? (b) What other remuneration will you receive in respect of this appointment? If travelling expenses allowed, state particulars
10. Whether you have any other business or calling, and the amount of income you derive from same. If so, give name and address of other employer
11. Whether you are security for any person
12. (a) Were you ever bankrupt or insolvent, or did you ever arrange with your creditors? If so, when? (b) Are you now discharged, and in what manner?
13. (a) The amount of your private debts. (b) The amount of your trade debts, and all your other liabilities
14. How and by whom have you been engaged during the last Ten Years?

MONTH		MONTH	
From	1	to	1
From	1	to	1
From	1	to	19

State why you left your last situation
PLEASE ANSWER THIS QUESTION FULLY
15. The particulars of your Private Property, real, personal, or otherwise, whether in your possession, in reversion, or in expectancy
16. If you have applied to any other Guarantee Company, the date, the name of the Company, and the situation you then held. Also how your Proposal was disposed of, and, if accepted, the Premium you were required to pay
17. If you have previously applied to this Company, state particulars.
18. State full Name, Address, and Business of Employer for whom the Guarantee is required
19. Give the Names and Addresses of three referees (not relations).

fraud than if the existence of the bond was periodically impressed upon the minds of all parties. The annual notice which the society issues to the parties guaranteed and to their principal supplies this defect. It reminds the one that, holding the security of a bond, it is his duty to examine and balance periodically the accounts of the party guaranteed, and to the other it recalls every year the remembrance of the obligations under which he is bound to a faithful discharge of the trust he has undertaken to perform. It imposes no burden upon the principal, unless an ordinary attention to his own interests can be so regarded, and it requires from the servant nothing more than strict integrity of conduct.

"Not only, therefore, is a more complete security provided for the principal, but the society encourages the growth of a high moral feeling in one of the most useful classes of the community—those entrusted with pecuniary transactions on account of others,—and watches with vigilance any sign of the deficiency of such principles, or the existence of pernicious habits.

"So convinced have many principals of well-established firms become of the great practical value of the position taken by the Guarantee Society, that they pay as a voluntary gift to the individual the amount of premium required by the society from the person who is the subject of the guarantee."

The business of fidelity guarantee insurance may be divided into the three following broad divisions:—

(1) **Commercial Bonds**, for the guaranteeing of the fidelity of clerks, cashiers, travellers, managers, secretaries, and the like, engaged in industrial undertakings.

(2) **Government Bonds**, for the guaranteeing of the fidelity of servants holding appointments under the Crown, *i.e.*, Board of Trade, Local Government, and Post Office officials, Customs House, Inland Revenue, and Excise officers, officials of county courts, and the National Debt Office, and the like.

(3) **Legal Bonds**, for guaranteeing the fidelity of administrators in connection with the Probate Court, receivers and auctioneers appointed by the Chancery Courts, and the like.

Commercial Bonds. Under a guarantee bond issued in connection with commercial risks, the company agrees to reimburse to the employee such pecuniary loss as he may sustain by reason of fraud or dishonesty of an employee in connection with his duties, amounting to embezzlement of money, committed and discovered during the continuance of the insurance, and within three months from the death, dismissal, or retirement of the employee.

Should any alteration in the duties and conditions of service of the employee, or any reduction in the remuneration take place subsequent to the entering into of the agreement, without notice thereof being given to the company and then consent obtained, the agreement becomes void and the premium paid forfeited.

When loss arises, immediate notice must be given, followed by a full statement of claim within three months after discovery, and it is incumbent upon the insured to furnish to the company reasonable proof of the correctness of such claim, and render to the company all information and assistance to enable it to sue for, and otherwise to claim, reimbursement by the employee of any moneys the company shall become liable to pay under the policy.

No more than one claim, and that only in respect of acts or defaults committed within twelve months from the date of effecting or renewing the agreement, shall be made under the policy, which, from the making of such claim, shall wholly cease and determine.

Proposal. The form of proposal used in connection with Commercial Bonds generally contains the questions shown in the inset.

An office on receiving a proposal for guarantee insurance proceeds to make inquiry into the standing, both financial and moral, of the proposer.

The present employer is asked to give full particulars of the duties of the applicant, the length of time he has been in his service, the salary or commission he is to receive, the amount of cash he is likely to have in his possession at any one time, and the method generally adopted with a view to detecting any irregularity.

The referees are communicated with in regard to the habits of the applicant and his integrity.

The proposer's previous employers are also asked to reply to questions regarding the length of time the applicant has been in their service, why he was leaving, or had left their service, and whether during his career with them they had found him to be of sober habits, and whether they had reason to suspect him of dishonesty or improper conduct.

Collective or Schedule Policies. In large firms where there are a number of employees to be guaranteed, a form of policy known as a Collective Policy is adopted. Such a policy contains a schedule in which the name of each employee is entered, and alterations can be made as employees leave and others enter the service, thus obviating the necessity for a number of individual policies. Under this system the premium paid for an employee who leaves the service before the end of the year of insurance can be applied to the insurance of his successor. Moreover, the premium charged is usually at a lower rate per cent. than on individual insurances.

Premium. This varies according to the circumstances of each case, and as there are many questions which influence the rate, it is only possible to give an approximate idea of the cost of an insurance.

Bank and Railway Clerks	from 6s. 0d. per cent.
Building Society Secretaries	„ 7s. 6d. „
Commercial Clerks and	
Cashiers	„ 6s. 0d. „
Secretaries and Managers of	
Public Companies	„ 6s. 0d. „
Commercial Collectors	„ 12s. 6d. „
Commercial Travellers (on	
salary and expenses), ex-	
cept those in connection	
with Wine and Spirits or	
similar trade, which are	
accepted at special rates	
of premium	„ 20s. 0d. „

Government Bonds. Thus far our remarks have been confined to the insurance of commercial risks. The issuing of bonds in connection with appointments under Government forms a very large proportion of the business transacted by the Fidelity Guarantee department of a company.

The following Government departments, among others to whom bonds are issued, may be mentioned:—

Inland Revenue—Comprising distributors and

sub-distributors of stamps, collectors of income, and surveyors of taxes.

Local Government. Comprising clerks to guardians, borough councils, surveyors, assistant overseers, rate collectors, relieving officers, treasurer of parish councils, and master and matrons of workhouses.

Board of Trade. Comprising superintendents, assistant superintendents and clerks, and mercantile marine officers. Official receivers, trustees and special managers (under the Bankruptcy Act).

Liquidators and special managers (under the Companies Act).

Customs. Custom bonds take the form of indemnities in respect of fraudulent dealing with goods liable for duty. Bonded warehousemen, wharfingers, licensed lightermen and carmen, and occupiers of examination floors have to give bonds to the Customs.

Excise. The security required by this department is in respect of the proper use of methylated spirits.

Proposal. The proposal forms, as well as the forms of policies, have to be approved by the various Government departments.

Premium. The following are approximate rates—

	s	d
Official Receivers, Trustees, etc. (under Bankruptcy Act)	from	2 6
Bonded Warehousemen		5 0
Collectors of Income and Assessed Taxes	10	0
Guardians and Borough Councils when whole of staff is insured	5	0
Rate Collectors	10	0

Special Contingency Guarantee Insurances. The following are some of the special contingency risks in respect of which bonds are issued by many of the leading offices—

- (a) Guaranteeing the repayment of loans.
- (b) Guaranteeing the repayment of mortgages.
- (c) Guaranteeing due performance of contracts.
- (d) Insurance of titles (leases, etc.).
- (e) Bad debt (commercial credit) insurance. (This has been treated under the heading of Excess Bad Debt Insurance.)
- (f) Issue insurance.
- (g) Forged transfers.

LIVE STOCK INSURANCE. The term "live stock" from the insurance point of view is limited to two important classes, *i.e.*, oxen and horses.

Insurances are granted on valuable dogs, also on sheep and pigs where the whole stock on a farm is insured, but such risks are not sought after nor desired by the companies. We will, therefore, confine our observations to the before-mentioned classes.

Cattle Insurance. A policy of insurance issued in connection with cattle provides for the payment of a sum, equal to two-thirds the market value, in the event of death from accident or disease occurring or contracted during the continuance of the policy. With the exception of bulls for show purposes, cattle between the ages of eighteen months and seven years only are insurable.

The policy imposes upon the insured certain conditions, the observance of which are precedent to the right to claim.

Where an accident or illness occurs, the insured must obtain, at his own expense, the services of a qualified veterinary surgeon, and must exercise all reasonable care with a view to minimising the danger of loss.

In the event of an animal being attacked by a contagious disease, it must be immediately isolated, and precaution taken against the spreading of the contagion amongst the other stock.

The ordinary policy does not cover the risk of anthrax, a disease which invariably terminates fatally, but the risk can be insured by special arrangement at an additional charge.

Classification and Premiums. The approximate rates for the insurance of cattle against death from accident or disease are—

- (a) Fattening Cattle (over 6 months old) 5 per cent.
- (b) Bulls (over 6 months and under 6 years old) including Tuberculosis if passed Tuberculin Test within 3 months of Proposal 5 ..
- (c) Pedigree Cows and Heifers kept for Breeding only, including Tuberculosis if passed Tuberculin Test within 3 months of Proposal 7½ ..
- (d) Pedigree Heifers (excluding Breeding risks) including Tuberculosis if passed Tuberculin Test within 3 months of Proposal 5 ..
- (e) Cows and Heifers for Dairy Purposes (including Calving) including Tuberculosis if passed Tuberculin Test within 3 months of Proposal 8½ ..

The insurance is generally for the full market value except on dairy cattle, in connection with which the companies only accept liability up to two-thirds of the value. The risk of death from poisoning, fire, lightning, operation, or malicious injury is mostly excluded.

Usually a deposit is insisted on with all proposals sufficient to cover the company's veterinary surgeon's fees for inspection, which sum is refunded if the insurance is completed.

Horse Insurance. There are various kinds of policies issued under this heading. The most important are—

- (1) General horse.
- (2) Foaling.
- (3) Stallion.
- (4) Castration.
- (5) Hunters.

As its title implies, "General horse" insurance policies are issued to cover horses used for business purposes against the risk of death by accident or disease. The classification is—

- Class 1 Private Carriage and Saddle Horses.
- Class 2 Light Trade Horses used by Grocers, Bakers, Butchers, Doctors, and the like.
- Class 3 Light Trade Horses used by Brewers, Commercial Travellers, Corn Merchants, etc.

Class 4 Light Draught and Job Horses. Horses for posting, or let for hire. Colts and fillies over 1 month, and under 6 months of age.

Class 5 Heavy Draught Horses, except those specified in Class 6.

Class 6 Heavy Draught Horses, used for hauling dead weights, such as stone and timber, and those used by Railway Contractors and General Carriers.

Horses over 10 years of age, but not exceeding 12, are specially rated. Proposals for horses over 12 are not generally accepted.

Classification and Premiums.

Sum Insured.	Class 1.	Class 2.	Class 3.	Class 4.	Class 5.	Class 6.
£	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
20	1 0 0	1 5 0	1 11 0	1 15 0	2 0 0	2 0 0
25	1 0 0	1 5 0	1 11 3	1 17 6	2 5 0	2 10 0
30	1 4 0	1 10 0	1 17 6	2 5 0	2 12 6	3 0 0
35	1 8 0	1 15 0	2 3 9	2 12 6	3 1 3	3 10 0
40	1 12 0	2 0 0	2 10 0	3 0 0	3 10 0	4 0 0

9 PERSONAL ACCIDENT INSURANCE. Personal accident insurance is the oldest of the casualty insurances. In the sea laws of Wisby, dated 1549, a reference is made to the practice of the owners of ships insuring the lives of the masters against the dangers of the sea. This appears to be the earliest form of accident insurance on record. It was not until the year 1849, however, that any practical attempt was made to popularise it.

The Railway Passengers Assurance Company has the honour of being the first office registered to undertake accident insurance. The contracts, or coupons as they were designated, were very limited in their scope—covering railway accidents only. They provided fatal and non-fatal benefits, and the premium for first-class risks was 4 per annum to insure £1,000 at death. No fixed amount was stated as payable for non-fatal injury, "but such sum as shall be deemed reasonable compensation for such injury, as well as for the pain of mind and body, and the loss of time and money consequent thereon." These words were, however, found by experience to allow of such a wide interpretation, that it was deemed expedient in subsequent coupons to specify a definite amount for non-fatal injuries.

In the year 1850 the Accidental Death Assurance Company (the pioneer office of the present form of insurance) was formed. This Company issued a policy covering accidents from any cause.

A large number of companies were registered during the years 1849 to 1859, and the policies issued during that period were very open ones. Consequently, owing to the cupidity of some and the dishonesty of others every advantage was taken of the companies in the matter of claims, and altogether during the first ten years they had a most unsatisfactory experience.

From 1862 the insurance became more lucrative. The offices had gained more experience in the drafting of their contracts, and also in the classification and rating of risks. In fact, the business was conducted so successfully that the "Northern and London," together with the "Railway Passengers," agreed to allow 10 per cent off the renewal premiums after a policy had been in force five years. From this time onward some hundreds of companies commenced operations, the ages of most were of short duration, a few only returning to this day.

It is interesting to note that it was not until about the year 1892 that a policy was issued to include compensation for disablement from diseases as well as accident. This class of policy was placed before the public by the Law Accident and Contingency Society. The policy also included, for the first time, the payment of double compensation for injuries resulting from an accident to the train in which an insured person was travelling as a passenger.

The payment of double benefits has been extended

to many other contingencies, and has become a permanent feature of the present day contract, but the practice, it is submitted, is wrong in principle.

It is important to remember that the principle underlying personal accident insurance (and, indeed, all insurances, except life and marine) is virtually one of indemnity, notwithstanding the contracts, as usually drawn up, are not indemnities in the true sense of the word, inasmuch as the company agrees to pay a definite fixed amount for compensation in the event of injury for a given premium. In *Theobald v. Railway Passengers*, Baron Alderson said: "These are not contracts of indemnity, because a person cannot be indemnified for a loss of life as he can in the case of a house or ship." Legally, this is correct. In actual practice, however, the principle of indemnity must not be overlooked by a company, otherwise, if a person is permitted to insure against accidents for any amount he likes, conditions are created under which fraud is easy.

To return from this digression, as the competition became keener, companies vied with one another in adding to the list of diseases covered, until to-day there are about fifty included in the "combined policies" issued by most of them.

Lastly, the "All Sickness and Accident" contract appeared in the prospectuses of a large number of companies. This contract is a distinct advance on the combined policy with its schedule of diseases.

Under some contracts a specified allowance is made for medical expenses.

Contract. Under a personal accident policy the company agrees to pay to the insured, in the event of his sustaining any bodily injury caused by violent, accidental, external or visible means, certain capital sums for death, loss of limbs, and/or eyes, and a stated amount per week, for a limited period, during such time as the insured is either partially or wholly disabled. Most policies also provide for an annuity in the event of disablement for life by accident, other than loss of eyesight or limbs, for which capital sums are provided.

Certain risks, such as suicide, self-inflicted injuries, intoxication, insanity, and venereal diseases are excluded, and a clause giving effect to this is contained in the contract.

The policies are usually annual ones, and the company is not bound to invite the renewal of the insurance. Where a policy is for one year, renewable from time to time by consent, it has been held that each renewal is a new contract and not a renewal of the original contract.

Policies and Premiums. The public to-day have a choice of three forms of policies, viz. —

1. Policies covering accidents only.
2. Policies covering accidents and defined diseases.
3. Policies covering accident, and all sickness.

The appended table gives the approximate rates and benefits covered under each respectively. (See next page.)

Our remarks are so far applied more particularly to policies covering accident and specified diseases. The "All Sickness" insurance is a distinct advance on the Combined Policy, with its schedule of diseases, but the present contracts are by no means perfect. The contracts issued by all companies are, with perhaps one exception, annual ones, and in this respect very unsatisfactory, for it is quite within the rights of an office to refuse to renew a

policy should a person be unfortunate enough to suffer from a recurrent complaint.

The non-forfeitable contract is undoubtedly the only one that can give entire satisfaction to the insured, and we can only hope the time is not far distant when insurance companies will see their way to issue such policies. Thus, the professional man and the tradesman will be enabled to make provision against the ills that generally beset old age, in short, will be able to do for themselves in an adequate manner what is already possible to the working man through the medium of sick benefit societies.

The premiums vary in accordance with the class of occupation, and the practice common among offices is to classify the risks under three headings, *i.e.*, Ordinary, Medium, and Hazardous. As a rule, the majority of risks undertaken fall within one of these.

TERMS	NAME OF POLICY								
	Acci- dents only			Com- bined			Sickness and Acci- dent		
<i>Annual Premiums</i>	<i>£</i>	<i>s</i>	<i>d</i>	<i>£</i>	<i>s</i>	<i>d</i>	<i>£</i>	<i>s</i>	<i>d</i>
Class 1—Ordinary	4	0	0	7	0	0	10	0	0
Class 2—Medium	5	0	0	8	0	0	11	0	0
Class 3—Hazardous	6	0	0	9	0	0	12	0	0
<i>"</i>									
<i>Accident Benefits</i>	<i>£</i>			<i>£</i>			<i>£</i>		
Death, loss of two limbs or eyes, or one limb and eye	1,000			1,000			1,000		
One limb or eye	500			500			500		
Permanent Total Dis- ablement, per ann	nil			30			nil		
Temporary Total Dis- ablement, per week	6			16			6		
Temporary Partial Disablement per week	1 10 0			1 10 0			1 10 0		
	52 wks			52 wks			52 wks		
<i>Disease Benefits</i>									
Temporary Total Disablement, all sickness, per week	nil			nil			52 wks		
Do. do. as (a) per wk	nil			6			nil		
				52 wks					
Total Blindness or Permanent Paralysis &c.	nil			500			nil		

¹ Double benefits are payable for injury arising from accidents to the passenger lift, tram, tramcar, omnibus, or other licensed vehicle, or sustained in a burning building.

(a) Anæmia, angina pectoris, anthrax (malignant pustule), apoplexy, appendicitis, Asiatic cholera, bubonic plague, burns, cancer, carbuncle, chickenpox, diabetes, diphtheria, dysentery, epilepsy, erysipelas, facial paralysis, fistula, glanders, hemiplegia, hydrocephalus, hydrophobia, Landry's paralysis, acute laryngitis (non-tubercular), locomotor ataxia, malaria, measles, meningitis, mumps, myxœdema, acute nephritis, stitis, suppurative pericarditis, acute peritonitis, perityphlitis, pleurisy (non-tubercular), acute pneumonia (non-tubercular), stomache poisoning, pyæmia, quinsy (suppurative), scarlet fever (scarlatina), septicæmia, shingles, smallpox, sunstroke, tetanus, tetany, typhoid fever (enteric), typhus fever, or whooping cough.

The "Ordinary" comprises bankers, solicitors, merchants, and the like.

The "Medium" comprises tradesmen who superintend and direct their workmen.

The "Hazardous" comprises tradesmen working, *i.e.*, builders, butchers, licensed victuallers, and the like.

Proposal. Before a policy can be issued, the proposer has to complete a proposal form which contains, among other questions, the following—

(1) Name, address, occupation, age, height, and weight

(2) Have you ever made a proposal for insurance against accidents or sickness, and have you ever been declined or accepted on special terms for life, accident, or sickness?

(3) Have you any physical infirmity, *i.e.*, defective eyesight, hardness of hearing, or lameness?

(4) Have you ever suffered from varicose veins, fits, paralysis, hernia, rheumatic fever, pneumonia or pleurisy, asthma, consumption, heart disease, appendicitis, or any other disease of the stomach?

(5) Do you engage in mountaineering or sports of any kind?

(6) Has any relative suffered from consumption?

(7) Have you received compensation for sickness or accident?

(8) Are you now in sound health?

Generally speaking, companies are willing to accept proposals for accident and disease insurance from healthy lives between the ages of sixteen and sixty. In sickness and accident insurance the limits are sixteen to fifty-five.

The proposal being the basis of the contract, it is of the utmost importance that the proposer should answer the questions carefully. Any concealment of material fact or mis-statement nullifies the contract, and relieves the company of all liability.

Selection of Risks. The utmost care is required in the selection of proposers for accident and sickness insurance. A careful underwriter, before accepting a proposal, will see that each question on the form is answered fully and in unequivocal terms. If the applicant has suffered from some previous accident or sickness, full particulars of its nature and duration will be insisted on. Replies such as "no illness of any material importance" will not be accepted, for the reason that whilst the complaints to which the proposer may be subject are of a minor nature by comparison, yet they may be sufficient to cause disability for two or three weeks each year—a period long enough to swamp the annual premium charged for the risk. Where there is any physical defect, such as deafness or short-sightedness, care will be taken to ascertain the exact nature of the disability, as obviously a person affected in this way is more susceptible to accidents. The family history is an important matter for consideration, especially where the contract is to cover sickness. Should the weight of an applicant be abnormal, careful inquiries will be made before accepting the risk. Where a proposer has been declined previously by a first-class life or accident company, it may be taken as a general rule that he is uninsurable, at least, for sickness.

The question in the proposal form as to whether the proposer has suffered, among other complaints, from varicose veins, hernia, rheumatism, or heart disease, is a very important one, in view of the bearing such diseases have upon an insurance against accident and/or sickness.

Definition of Policy Terms. The courts, as we shall see later, have placed a very wide interpretation upon the word "accident" in connection with the Workmen's Compensation Act, but in connection with personal accident insurance, where the word is defined by the policy itself, the decisions range round the qualifying words.

Certain terms have, therefore, by common usage acquired definite meanings, for instance—

Accident, as defined by most companies, involves "bodily injury caused by violent, accidental, external, and visible means."

Death. The injury must be the proximate, sole, and direct cause of death, which must take place within three calendar months after the accident.

Permanent Total Disablement. Loss by physical separation of two limbs, or the complete and irreparable loss of sight of both eyes, or one eye and one limb, within three calendar months.

Permanent Partial Disablement. Loss by physical separation of one limb, or complete and irreparable loss of sight of one eye, within three calendar months.

Permanent Total Disablement (other than loss of eyes or limbs) to entitle to annuity, means total disability and absolute incapacity for work for the remainder of life.

Temporary Total Disablement means inability to attend to business of any kind.

Temporary Partial Disablement arises when the injury sustained does not wholly and entirely prevent attention to business.

Railway and Tramcar Accidents means accidents to a train or tramcar by which the insured is travelling as a passenger.

10 PLATE GLASS INSURANCE. This is one of the most useful and, perhaps, most popular of the contingency insurances. The thousand and one risks of damage to shop windows were realised by shopkeepers early in the history of casualty insurance, for we find that as far back as 1852 a company named the Plate Glass Insurance Company was formed solely to transact this class of risk, which company commenced business in Lane Street, London. It has, however, met the same fate as a number of offices during latter years, namely, that of absorption, which took place in 1910.

The risks to which shop windows are exposed are many and varied, and it is not surprising when we remember how cheaply an insurance may be effected that shopkeepers should speedily avail themselves of the indemnity afforded by an insurance policy. The need for insurance has been appreciably increased of late, the legitimate desire of tradesmen to display their articles for sale to the best advantage having created a demand for an increased size of the "plate." With such increase in size, enhancing, as it does, the liability to breakage, indemnity by insurance has been more largely sought after.

Proposal. When it is desired to effect an insurance against this risk, the applicant is requested to complete a form of proposal. The office or agent of the proposal, should the risk be a large one, usually instructs an expert to measure up the glass, and to value any special items, such as facias, signs, and lettering.

Among the questions to be found on most proposal forms are the following—

(1) The nature of the business.

(2) Whether the premises are at the corner of a street.

(3) What breakages have occurred during the past twelve months.

(4) Has the risk been declined by any company?

(5) Position of any cracked squares (these are not insurable).

Approximate Rates. The rates vary largely in accordance with the class of trade carried on, the position of the premises, and a number of other considerations, such as the quality of the plate, whether plain, silvered, embossed, or bent. The market prices of glass at the time of quoting is an important factor in determining the rate to be charged, and as these are constantly fluctuating, certain tariffs are formulated by the manufacturers, and subjected to varying discounts.

The usual thickness of polished glass is about $\frac{1}{8}$ in., but where extra thicknesses are required, an additional price per foot is charged.

Policies. Policies of most first-class offices cover breakages from any cause, except fire or explosion.

As the insurers are not responsible for any loss arising out of the interruptions of business, during the time intervening between the breakage and the replacement, the importance of immediate replacements must not be overlooked when selecting an office for the insurance.

The salvage (which is an important item from the company's point of view) is always the property of the insurers. The policies are generally yearly contracts, and in some cases the insurance, as in fire, runs from a quarter day.

11 THIRD PARTY RISKS. The insurances under this heading generally fall within one of the following divisions.

Third Party (Drivers') Risks, i.e., accidents caused by horse-drawn vehicles.

Motor Car Risks, i.e., accidents caused by mechanically driven vehicles.

General Third Party Risks, i.e., accidents to the public through the negligence of the employer's workmen or through any defect in the premises, ways, plant, or machinery.

Lifts, Cranes, and Hoists Risks, i.e., accidents caused to persons through the negligence of attendants in charge, or through defects in the mechanism.

At Common Law, an employer is responsible for personal injury or damage to the property of third parties (*i.e.*, the public) caused by his own negligence, or an omission to perform a duty due to his fellow-men, also for accidents arising out of the wrongful acts of his employees in the course of their employment.

The term "third party" is capable of two interpretations. It is quite clear that the "third party" is a member of the public (*i.e.*, anyone outside the employ of the policy holder), but it is open to question as to who are the first and second parties. The writer presents two propositions, but suggests the first as the correct one.

(1) The first party may be the company granting the insurance, and the second party the person insured, or alternatively—

(2) The person insured as the first party, and the person (*i.e.*, the servant) causing the damage the second party.

The Common Law (see COMMON LAW) of the tort, in its care for humanity, imposes upon every individual a duty to exercise reasonable care in the carrying out of his duties in whatever sphere of life, so as not to cause injury to his fellow-creatures. A failure to exercise such care lays an individual open to an action in tort for damages. In order

to substantiate a claim at Common Law, the person seeking to recover damages must prove that the person complained about has been negligent in the performance of a duty imposed by law.

The following are apt definitions of the word "negligence"—

"The absence of care according to circumstances"

"The neglect of some care which we are bound by law to exercise towards somebody."

Under certain circumstances, it may not be possible to prove negligence definitely, but if there is *prima facie* negligence, a plaintiff may be successful in an action. This doctrine is expressed by the Latin maxim: *res ipsa loquitur*.

It is a rule that damage, to be actionable, "must be the ordinary and probable consequence of the act complained of": in other words, the act must be "the proximate cause" of the damage.

Although very much more could be said on the question of the civil liability of an individual to the public, the preceding remarks will be sufficient to show how onerous is the liability resting upon an employer of labour (inasmuch as he is not only responsible for his own acts of omission or commission, but is answerable at law for any act of negligence committed by his employees in the course of their work), and the importance of being able by the payment of a comparatively small amount to relieve himself of the liability by effecting an insurance policy is obvious.

We will now proceed to consider those insurances to which reference is made in the beginning of this section.

Third Party (Drivers') Insurance. There are two classes of policies issued to cover driving accident risks—

(1) **Third Party Policies**—covering the insured's liability for personal injury and damage to property of the public.

(2) **Comprehensive or Triple Risk Policies**—covering benefits as above, and damage to the insured's own vehicles and harness and fatal injury to his horses.

Contract. Under the third party policy the company agrees to indemnify the insured against his legal liability to pay compensation for bodily injury to a member of the public or for damage to the property of the public caused by—

- (a) Any driver, horse and/or vehicle,
- (b) Goods falling from such vehicle,
- (c) Loading or unloading operations,

up to an amount not exceeding £ — for any one accident nor exceeding £ — in any one year of insurance.

Under a triple risk policy the company agrees in addition to the above benefits to pay for all accidental damage to the insured's vehicle or harness not exceeding in any event the market value thereof. Further it promises to pay compensation in respect of accidental injury to any horse where such injury causes its death within a given time of the accident, the company's liability being limited to two-thirds of the market value of such horse.

Most policies cover, in addition to the indemnities specified, all costs incurred in contesting a claim, provided the action is fought with the company's consent.

The company's liability for damage to the insured's horses and vehicles is limited to accidents happening in a street or road.

The policy does not cover accidents to any persons in the insured's employ, or to any person

conveyed in the vehicles unless specially arranged for, nor damage to the insured's vehicles caused by wear and tear, fire or explosion.

The company holds to itself the right to repair or replace any vehicle of the insured that may be damaged, but the general practice is for the company to ask the insured to obtain two estimates from local coachbuilders for repairing the damage and then to instruct one of them to proceed with the work. Where any question arises as to whether the suggested repairs are necessitated by the accident or due to wear and tear, the company instructs an independent coachbuilder to inspect and report, and where this is done, the company, of course, pays the coachbuilder's fees.

The usual custom of the companies is to limit their liability under the contract to a certain sum in respect of any one accident, with a maximum liability for the year. For instance—

£100 in respect of claims arising out of any one accident,

£200 in respect of all claims during any one year.

The policy usually covers all law costs incurred with the company's consent in contesting an action, in addition to the fixed amount of the indemnity.

Policies are issued for twelve months, and are renewable from time to time at the option of the company. A condition of the policy, precedent to the right to claim, is that the insured shall exercise every reasonable precaution in the selection of sober and competent drivers, and shall see that his horses are free from vice and fit for the work for which they are used, and that the vehicles are kept in a perfect state of repair.

Proposal. Before issuing a policy for drivers insurance the company requires to know certain facts about the risk, and the proposer is requested to complete a proposal form similar to that shown in the inset, the answers to which form the basis of the contract.

The premiums are based at the rate of so much per driver, and vary according to the number of drivers employed, the amount of indemnity required, the nature of the business carried on, and the locality, *i.e.*, London, provincial towns, or villages.

Motor Car Insurance. The motor car industry owes its development in this country to the passing of the Light Locomotives Act, 1896. Prior to this Act mechanically-propelled vehicles could only travel on the public highway at a speed not exceeding 4 miles an hour, and then only if accompanied by an attendant who had to precede the vehicle with a red flag. To enable the industry to develop, it was necessary to do away with such ridiculous restrictions, and this was accomplished by the before-mentioned Act.

From this date the industry has made exceedingly rapid strides, in fact, the motor has revolutionised the mode of travelling.

At first, a good deal of prejudice was shown by the general public towards mechanically-propelled vehicles, but when they recognised the utility of the motor as compared with the horse-drawn vehicle, and became accustomed to their use, the spirit of antagonism died away.

The insurance companies were not slow to recognise that in this branch of insurance a great future was before them, but, as in many new ventures, most of those who underwrote the business to any extent at the outset had to pay for their experience very dearly in the shape of a heavy claims ratio.

The companies have kept pace with the ever-increasing desire of the users of cars to be protected against every possible contingency that could arise, so that the composite policy issued by most of them to-day is almost the acme of perfection in its comprehensiveness.

Contract. A composite policy usually covers the following risks—

Section 1. Claims made by third parties (i. e., the public) for personal injury or damage to property.

Section 2. Accidental damage to the car (with few exceptions)

Section 3. Damage to car resulting from fire, explosion, and self-ignition

Section 4. Wilful damage to the car by persons not in the insured's service

Section 5. Loss by burglary and theft.

Section 6. Damage to car in transit

Section 7. Continental risks (i. e., accidents arising from use of car on the Continent)

The indemnity granted under these contracts, in so far as Section 1 is concerned, is unlimited. Under the other sections the company's liability is limited to the agreed value of the car at the time of insuring.

Notwithstanding the wide cover granted under these policies, there are certain risks which the insured must personally bear, they are—

(1) Theft of accessories, except when stolen with car. (Many companies now cover loss of accessories, however caused, the insured having to bear the first £1 of every loss.)

(2) Punctures or bursts of tyres (except when due to collision)

(3) Breakage or fracture of parts of car due to wear and tear. (This risk, which is defined in prospectuses as "mechanical breakdowns," is covered by some companies by special arrangement. It is a risk, however, which is not generally sought after.)

When desired, the insurance can be extended to cover the risk of accidents to persons riding in the car.

Policies covering the third party (public liability) risk alone can be effected, but the greater proportion of insurers prefer the full protection granted under the composite policies.

Under most policies the insured is allowed in the event of an accident to have repairs up to the value of £5 executed without reference to the company, but where the damage is of a more serious character the company must be notified before the repairs are put in hand. The cost of carriage of the damaged car to the repairer is defrayed by the insurers.

In the event of the insured not making a claim upon the insurance for twelve months prior to a renewal, a bonus of 10 per cent is allowed off the renewal premium.

The general conditions attaching to the policy are—

(1) Notice of an accident must be given immediately.

(2) The insured must not admit liability or settle a claim without the company's consent.

(3) The car must be driven by a licensed person.

(4) The company shall have the right to sue in the name of the insured with a view to obtaining an indemnity from any person causing damage for which the company has made a payment under a policy.

Proposal. The proposal for motor car insurance generally takes the form shown below.

The question of the basis for rating motor car risks was, in the early days of the business, the subject of much discussion amongst the offices. The view of some underwriters was that the horse-power alone was the determining factor, others that the value of the car was the true basis. However, as the result of much consideration given to

1.	Name and address and occupation of Proposer	
2.	Type of Car and date of make	
3.	The horse-power.	
4.	Value of Car	
5.	Will the Car be used <u>solely</u> for Private Purposes?	
6.	Will the Car <u>solely</u> be driven by the Owner?	
7.	What claims for damages consequent upon accidents caused by your Car have been made upon you during the last three years?	
8.	State what amount has been paid for repairing accidental damage to your Car during the past year.	
9.	Have you been or are you now insured in respect of a Motor Car? If so, please state name of Company.	
10.	Has any Company—	
	(a) Declined your Proposal?	(a)
	(b) Refused to renew your Policy?	(b)
	(c) Required an increased Premium on Renewal?	(c)
11.	Have you any Insurance with this Company? If so give particulars.	

the question by the offices underwriting the business, the basis of horse-power plus value has been accepted, and is now in general use. The reason for taking the value also into consideration in assessing the rate for a composite policy, which covers damage to the insured's own vehicle as well as the third party risk, is that the cost of repairs bears a definite relation to the value of the car.

The premiums charged by the first-class offices are practically the same and may be taken to approximate to the following example of a quotation for a 10 H.P. car:-

FULL VALUE OF CAR, INCLUDING TYRES

£100	£200	£300	£400	£500	£600
£7 4s	£8 2s	£8 11s	£9 6s	£9 18s	£10 10s

The above rates are subject to a reduction of 10 per cent if the insured bears the first 50s. of each claim for damage to his own car, and 15 per cent for £5, if the car is driven only by the owner, 10 per cent, and in the event of no claim being made in any year of insurance, the premium for the renewal is reduced by 10 per cent.

Special terms are given when more than one car belonging to the same owner is insured under the same policy.

Motor Vehicle Insurance. The above remarks on motor insurance refer mainly to private cars. The policies issued for trade risks are in principle the same as those granted for private risks, except in regard to a few minor details. The rates of premium vary greatly, depending upon such matters as the weight of the vehicle, the class of trade and the locality in which it is used, and in the case of light-weight vehicles the horse-power and value are also taken into account. The policy benefits are (1) claims by the public for personal injury up to an unlimited amount in respect of any one accident or occurrence and also in any one year of insurance; (2) damage to property (other than the property of the insured or in his control) up to a sum of £10,000 in respect of any one claim or number of claims arising out of one accident, but unlimited in any one year of insurance; (3) damage to or loss of the insured vehicle including loss or damage by fire, burglary, house-breaking or theft. Damage to tyres, however, is only covered as a result of accident involving damage to the vehicle.

The following are excepted: loss arising out of the explosion of the boiler of the vehicle; damage to any viaduct, bridge, road or anything beneath, by the weight of the vehicle; earthquake, war, riot or civil commotion; wear and tear, depreciation, mechanical fracture, and/or breakdown of any part of the vehicle unless caused by external impact.

Damage to property or injury to persons caused by sparks or ashes, or for death or injury to passengers in the vehicle, are also excluded unless specially provided for, and an additional premium paid to cover the risks.

It should be observed that the company's liability under trade policies is limited to £10,000 in respect of damage to property of third parties. The company being liable for damage by fire arising from

the use of the car, the limit of £10,000 is made in order to protect itself against the possibility of a conflagration, which, under certain conditions, might arise, involving the company in an indefinite liability.

General Third Party Risks. This term is applied to policies covering the risks of accidental injury to, or damage to the property of, the public, arising out of the business of the insured through defects in the ways, plant, or machinery, or caused by his workmen in the performance of their duties. (Drivers' and motor car risks, and the risks in connection with lifts, cranes, and hoists, are provided for by separate insurance.)

Some of the more important risks coming under this heading are:-

Premises Risks, i.e., accidents caused to the public on, or about, a shop or factory.

Builders and Contractors, i.e., risks incidental to building operations.

Liabilities of Public Authorities, i.e., accidents happening through defects in ways, works, or plant.

The terms and conditions of these policies vary according to the nature of the risk to be covered. Injuries or damage caused by fire or explosion, damage to goods in transit, and to buildings or their contents upon which the assured may be working, or injury to the workmen of another employer engaged upon the same contract as the insured, are risks which are usually excluded from the benefits covered by these policies.

Method of Rating. Each case being rated upon its merits, it is only possible to give a rough idea of the premiums charged. There are two methods of rating ordinary trade risks: (a) a percentage on the wages paid; and (b) a charge per factory or shop, plus an additional charge for each crane or hoist in use.

For ordinary retail shops, where not more than five or six hands are employed, in which the following businesses are carried on, the rate charged ranges from 10s. to 15s. for each shop for an indemnity of £100 for any one accident, and £250 for any one year, i.e.:-

Grocers, drapers, cheesemongers, oil and colourmen, ironmongers.

Butchers and greengrocers, according to locality, are "rated up," on account of the extra risk of injury and damage from persons slipping over pieces of fat and green-stuff which are often carelessly allowed to lie about.

For builders' and contractors' risks, the premium is based upon the wages expended, and varies from 5s. per cent to 7s. 6d. per cent for an indemnity of £250 for any one accident, and £1,000 during any one year of insurance. A slightly higher rate is charged for decorators.

For factory risks a flat rate is charged according to the work carried on, plus an additional premium for each crane or hoist.

Municipal authorities are responsible only for injury or damage arising out of a misfeasance (*q.v.*), i.e., the negligent performance of a duty. They are liable for strict commission but not of omission.

Lift Insurance. Risks coming under this heading may be enumerated as follows: Hydraulic (goods and passenger) lifts, electric lifts, cranes, hoists.

In making application for insurance of a lift full particulars as to the class, the motive power used, how the shaft and approaches are protected, the

carrying capacity, etc., have to be given. In regard to cranes and hoists, information as to the location of the building, the position of the crane, the number of floors served, and its lifting capacity must be furnished.

Liability Covered. Generally speaking there are two kinds of policies—

(1) Indemnity against the insured's liability to pay damages for accidental injury to persons (not in his employ) whilst in, or entering, or alighting from the car of a passenger hit or caused by any crane or hoist. Liability for damage to property caused by cranes or hoists is also covered.

(2) The above insurance, together with monthly or quarterly inspection of the lift or crane and, if desired, provision for the oiling, cleaning and (in the case of hydraulic lifts) repacking of glands, or (in the case of electric lifts) the supplying and fitting of new motor brushes, when necessary.

Indemnity. The indemnity granted under passenger lift policies is generally—

£1,000 any one person,
£2,000 any one accident,
Unlimited in respect of any one year.

The rates vary with the companies, but the following may be taken as a fair average:

For lifts in private houses	from	£2 10
.. offices and flats	..	3 10
.. hotels and public buildings	..	5 10

Inspection. In addition to the above rates, a further charge per annum is made for inspection, etc., as follows:

	Monthly service	Quarterly service
(1) Inspection only of lift	from	£1 4 0
(2) Inspection, cleaning, and repacking glands, or new motor brushes	..	£7 5 0 3 0 0

The premium for cranes and hoists depends much upon the merits of the individual risk, and as the circumstances of each case vary considerably it is not possible for a company to give a rate without first of all obtaining full particulars of the risk on a proposal form, and it is often found expedient to have an inspection made by an expert.

12. WORKMEN'S COMPENSATION INSURANCE. By workmen's compensation insurance is generally understood a contract of indemnity under which the insurers undertake to indemnify the employer against his legal liability at Common Law, under Lord Campbell's Act, 1846, the Employers' Liability Act, 1880, the Workmen's Compensation Act, 1906, and the Workmen's Compensation (Wart Addition) Acts, 1917 and 1919, in respect of accidents happening to his workpeople, and the cost incurred in contesting or settling claims made.

During the course of legal history the relation between master and servant has constantly changed, and the tendency of the legislation has been to increase the liability upon employers to compensate their workpeople for injuries received by them in the course of their employment. Each successive statute has increased the burden on employers.

The onerous obligations imposed upon employers of labour under the various Acts, and the marked increase in the number of accidents for which compensation is payable have led all prudent employers to insure their liability.

The question of the financial standing of the office underwriting Workmen's Compensation Act

risks is of the first importance, but it is to be regretted that it is a factor often overlooked by the public in the keen desire to obtain the cheapest rate.

The premiums vary in accordance with the degree of hazard of the particular trade, and the classification and rating of risks are big subjects hardly falling within the scope of this work.

Common Law. By the law of the land a person is responsible for any act of negligence on his part whereby an innocent person is made to suffer loss. Liability for negligence, under what is known as Common Law, has existed from time immemorial, and the presence of a contract of service between employer and employed does not relieve the former from any Common Law liability that may rest upon him for injury sustained by the latter in the course of his employment.

Common Law must not be confused with Statute Law. The former is the unwritten law of the land, whereas Statute Law is the written law based on Acts of Parliament. Common Law is over-ruled by Statute Law. (See COMMON LAW.)

Not only is an employer responsible at Common Law for his own negligent acts, but he is also liable for the wrongful acts of his employees in the course of their employment, and it was presumed prior to the decision in the memorable case of *Prestley v. Fowler* (1847) that a workman, meeting with an injury in the course of his employment through the negligence of a fellow servant, had the same right of claim to compensation against the employer as any other person.

It was, however, decided in that case that where injury results from the act of a fellow servant engaged in a common employment, under the same master, the latter is not responsible for the consequence of the injury. This doctrine, known as *Common Employment (q.v.)*, was carried in subsequent cases to an extent that became a positive hardship upon employees.

The effect of the doctrine was greatly aggravated owing to the tendency to create limited liability companies, thus making it more difficult for the injured workman to prove negligence against the employers personally. The anomaly thus created was too patent to be ignored, and in 1880 an Act called the Employers' Liability Act was passed with a view to its removal.

The amount recoverable at Common Law by way of compensation is unlimited.

Lord Campbell's Act, 1846. Before passing to the consideration of the Employers' Liability Act, a brief reference to an Act passed in the year 1846, known as Lord Campbell's Act, or the Fatal Accidents Act, is called for.

Under Common Law an action for damages dies with the decease of either of the interested parties, i.e., the person entitled to bring the action or the person against whom it is brought. This doctrine, expressed in the *Maxim Actio personalis moritur cum persona (q.v.)*, had the effect of relieving an employer of responsibility for an accident causing the death of an employee. With the passing of Lord Campbell's Act, however, such right of claim as the deceased person would have enjoyed if he lived was vested in the executor or administrator for the benefit of those who would otherwise have benefited had death not taken place.

Employers' Liability Act, 1880. We have already seen that by the doctrine of *Common Employment* a workman had no remedy against his employer

in the event of an injury resulting from the negligence of a fellow-servant. The defence thus open to the employer had the effect of placing a workman in a worse position than a stranger.

By a study of the main provisions of the Employers' Liability Act, we shall see that the effect of this doctrine is considerably reduced.

The Act gives the right of compensation to an injured workman (in the event of his injuries proving fatal, the right is extended to his representatives), with certain exceptions mentioned in the second Section of the Act, where the injury is caused—

(1) By reason of any defect in the condition of the ways, works, machinery, or plant connected with or used in the business of the employer, or

(2) By reason of the negligence of any person in the service of the employer who has any superintendence entrusted to him whilst in the exercise of such superintendence, or

(3) By reason of the negligence of any person in the service of the employer to whose orders or directions the workman at the time of the injury was bound to conform and did conform, where such injury resulted from his having so conformed, or

(4) By reason of the act or omission of any person in the service of the employer committed or made in obedience to the rules or by-laws of the employer or in obedience to particular instructions given by any person delegated with the authority of the employer in the behalf, or

(5) By reason of the negligence of any person in the service of the employer who has the charge or control of any signal points, locomotive engine, or train upon a railway.

The exceptions referred to limit the workman's statutory right to sue by providing that the employer shall not be liable in the following circumstances—

(1) *Unless* the defect in the ways, machinery, or plant, etc., arose from, or had not been remedied owing to his personal negligence or the negligence of a person entrusted by him with the duty of superintendence; or

(2) *Unless* the injury resulted from some impropriety or defect in the rules or by-laws, or instructions;

(3) Where the workman knew of the defect or negligence which caused his injury and failed to report the same to his employer or overseer, unless he was aware that his employer or superior knew of the defect or negligence.

The maximum compensation recoverable under the Act is an amount equivalent to the estimated earnings during the three years preceding the injury.

The Act was passed for seven years only, *i.e.*, 1880 to 1887, and is kept in force by being included in the Expiring Laws Continuance Act, passed from year to year.

Workmen's Compensation Act, 1897. The Workmen's Compensation Act, 1897, was the next Act to be placed upon the Statute Book. The Act introduced into the industrial world a new and somewhat novel principle, inasmuch as it made an employer, to whom the Act applied, liable for the first time for all accidents arising out of, and in the course of, the workman's employment. Previously, in order to substantiate a claim, a workman had to prove that his injury resulted through the negligence of his master, or arose out of a negligent act on the part of a person for whom the master was legally responsible.

The Act was frankly acknowledged to be a tentative one. In speaking of it on one occasion, Lord Brampton said: "*It is so framed as to provoke, rather than minimise litigation.*" Although the Act was limited in its scope to the more hazardous trades, it is estimated that about 5,000,000 of workers were brought within its scope.

In 1900, the benefits of the 1897 Act were extended to employment in agriculture, thereby adding about another 1,000,000 of workpeople, making, together with those already covered by the 1897 Act, about 6,000,000.

Both these Acts were repealed by the Act of 1906, so that we need not spend further time upon them, but proceed with our consideration of the Act of 1906.

Workmen's Compensation Act, 1906. This Act created important and far-reaching changes in the law.

The Act became law on the 1st July, 1906, and enacted (Sec. 1)—

"(1) If in any employment personal injury by accident, arising out of and in the course of the employment, is caused to a workman, his employer shall, subject as hereinafter mentioned, be liable to pay compensation in accordance with the first schedule to this Act."

Employer. The outstanding difference between the Act of 1897 and this Act is that, whereas the benefits under the former merely extended to certain hazardous trades, the later Act created liability upon ALL employers of labour to compensate their workpeople for personal injury by accidents arising out of and in the course of their employment, with this proviso that the employment must be such as to bring the injured workman within the definition set forth in Section 13 of the Act. "Employer" is defined by Section 13 of the Act as "any body of persons corporate or incorporate and the legal representative of a deceased employer."

Workmen. Concisely put, anyone (with a few exceptions to which reference will be made later) who works under a contract of service, is a workman and entitled to compensation provided his remuneration does not exceed £250 a year, be he a clerk, commercial traveller, or mechanic. Should the remuneration for his services exceed £250 a year, then such a person can only claim to come under the Act provided his work is by way of manual labour.

Personal Injury by Accident. It will be seen that the injury must arise from an accident to entitle the workman to compensation.

Many ostensibly conflicting decisions were given under the Act of 1897 as to what constituted personal injury by accident. The test frequently applied by the courts to determine "injury by accident" was whether the accident resulted from a fortuitous and unexpected cause, but in the famous case of *Fenton v. Thorley*, 1903, A.C. 443, the House of Lords considered that such a test was misleading, and defined the word "accident" to mean "*an unlooked-for mishap or an untoward event which is not expected or designed.*"

A very wide interpretation has since been given to the word, and in the case of *Brinton v. Turvey*, 1905, A.C. 230, the House of Lords held that a wool-sorter who contracted the disease of anthrax (a disease due to a germ found particularly in certain foreign skins and wools) in the course of his employment, and subsequently succumbed thereto, had

died as the result of an "accident within the meaning of the Act," on the reasoning that the alighting of the germ on the man's eye was an accident.

Lord Halsbury, in giving judgment in this case, was, however, careful to point out that the decision was not to be regarded as involving the doctrine that all industrial diseases were to be regarded as accidents.

In passing, the decision in the case of *Williamson v. Ismay, Imrie & Company* (which was the first appeal to the House of Lords under the 1906 Act) may be cited as following upon the principle laid down in the case of *Fenton v. Theley*. The case was that of a trimmer on board a steamer, whose duty it was "to rake out ashes that had fallen from the furnace," and whilst thus employed he fell down in a faint from heat-stroke and subsequently succumbed. This was held to be an accident within the Act.

Arising out of and in the Course of. It has already been laid down in decisions given in respect of these words, that the accident must arise *born out of and in the course of* the employment. Also that the onus is upon the plaintiff to prove that the accident did so happen. The words involve questions of law and fact.

The leading authority on the subject is the case of *Dennis v. White (1916) 1 K B 197* in which the facts were these: The appellant, a boy, was employed by a firm of builders and was instructed to obtain some plaster required in connection with some building operations which the firm were carrying out, and for this purpose he used a bicycle. In proceeding along the road he collided with a motor-car, sustaining a broken leg. The case went to the House of Lords, where the following observations were made:

"The only question is whether the accident arose out of his employment. It is not disputed that the appellant was riding the bicycle in the course of his employment and by the order of his employers. The risk of collision under such circumstances is incidental to the use of a bicycle; it is a risk inherent on the nature of the employment, and it was the cause of the accident. It follows that the accident arose out of the employment. It is quite immaterial that the risk was one which was shared by all members of the public who use bicycles for such a purpose. Such as it was, it was a risk to which the appellant was exposed in carrying out the orders of his employer. If a servant in the course of his master's business has to pass along the public street, whether it be on foot or on a bicycle, or on an omnibus or car, and he sustains an accident by reason of the risks incidental to the streets, the accident arises out of as well as in the course of his employment."

It has been held in the case of a person struck by lightning, whose duties peculiarly exposed him to such risk, that the accident was such as to satisfy the words of this Section. It does not follow from this, however, that all accidents arising from an "act of God" would be included.

Before proceeding to deal with the scale of compensation as set forth in the first schedule to the Act, let us consider briefly the exceptions under the Act.

Persons who are not Workmen. The definition of a workman, given in Section 13, excludes—

(a) Persons whose remuneration exceeds £250 per annum, and who are not engaged in manual work

(b) Persons engaged in a private and domestic capacity, whose employment is of a casual nature.

(c) Members of a police force

(d) An outworker

(e) A member of the employer's family dwelling in his house.

(a) *Remuneration.* It follows that a person who is employed by way of manual labour comes within the Act, even though his remuneration may exceed £250, but where a person is engaged partly in clerical work and partly in manual labour some questions may arise, although it is thought that if manual labour constitutes the principal duties of the employee the case will be within the Act.

It will be noticed that the Section refers to remuneration and not to wages. Therefore, not only cash payments, but board and lodgings, uniform, and other things, the value of which is capable of being calculated in money, may be taken into consideration in assessing the earnings.

Penn v. Spiers & Pond, 1908, 1 K B 766, illustrates this point. In this case tips received by a waiter were held to be part of the man's remuneration.

(b) *Casual Nature.* The term "casual nature" has created a good deal of speculation as to its meaning when applied to employment in regard to domestic engagements, or in the words of the Act, "otherwise than for the purpose of an employer's trade or business."

The dictionary meaning of the word "casual" is "depending on chance," "occurring or coming at uncertain times," "unsettled," and so on.

The idea apparent in these meanings is *intermittent*.

It has been laid down by the courts in recent cases, however, that the mere fact of an employment being intermittent does not necessarily make it of a casual nature so as to exclude a workman so employed from benefits under the Act, when there is evidence of a definite contract or arrangement. Whether an employment is of a casual nature or not will depend on the agreement existing between the employed and the employer.

To take illustrations—

A window cleaner instructed at irregular intervals by postcard to clean the windows of a private house; held employment of a casual labourer.

In contradistinction to this case, where a washerwoman was engaged to attend on a certain day in each week, it was held by the Court of Appeal that "there was evidence of a contract," and that the employment was not casual.

(c) *Outworker* means a person to whom articles or materials are given out to be made up, cleaned, washed, altered, ornamented, finished, or repaired, or adapted for sale, in his own home, or on other premises not under the control or management of the person who gave out the material or articles.

(d) *Employer's Family Member.* Of the "employer's family" means wife or husband, father, mother, grandfather, grandmother, step-father, step-mother, son, daughter, grandson, grand-daughter, stepson, step-daughter, brother, sister, half brother, half sister.

Scale of Compensation. First schedule (s. 1).

This Section of the Act deals with the scale and conditions of compensation, which are briefly as follows—

Fatal Injury. Where death results from an injury, an amount equal to three years' earnings—or a sum of £150—whichever of these sums is the

larger, but not exceeding in any case £300—where there is a total dependency.

(*Example.* Where the average earnings of a workman previous to death were 15s. per week, the minimum amount of £150 would be payable. If the weekly wages were 50s. per week, then £300 would be payable), or

A sum reasonable and proportionate to the loss sustained where only partial dependency exists; or

Reasonable expenses of medical attendance and burial (not exceeding £10) where the deceased leaves no dependants.

Disablement. Where the injury results in temporary total disablement, half weekly wages (not exceeding £1) during incapacity. (The total disablement benefits have been increased by war legislation.—See under *Later Legislation* at end of present article.)

No compensation, however, is payable in respect of the first week of disablement, unless the incapacity lasts for two weeks, then compensation is payable from the date of the accident.

Thus if a workman is disabled for—

(1) Seven days, no compensation is payable.

(2) Ten days, compensation is payable for three days.

(3) Fourteen days, compensation to commence from the date of the accident.

Special provision is made in the scale of compensation to workmen under twenty-one years of age. Great hardship was experienced by minors under previous statutes, by reason of their earnings, which in many cases were nominal, being made the basis of compensation, and, consequently, in the event of a young person earning 5s. per week meeting with an accident, the utmost compensation he could obtain was half wages, i.e., 2s. 6d. per week. This has now been remedied by the present Act, which provides that where the weekly earnings of such workmen are less than 20s., then 100 per cent. of the earnings shall be payable, instead of 50 per cent.

Average weekly earnings are to be computed in such manner as is best calculated to give the rate per week at which the workman was being remunerated. Special rules have been laid down for arriving at the earnings, but questions of some difficulty arise where the employment has only lasted for a few hours or days, and where there have been breaks in the employment due to slackness of work.

Where a workman works for two or more employers, his average weekly earnings under all such contracts must be taken into account when arriving at the amount of compensation payable in case of injury. We have already seen that the term "remuneration" implies something more than mere cash payments, such as tips, uniforms, board and lodgings, but it is expressly laid down in Section 2 (a) of Schedule I that special expense entailed on an employee by the nature of his employment is not to be reckoned as part of the earnings.

Total or Partial Incapacity. (s. 17.) Where the injury results in permanent disablement, compensation would be payable for life. In such cases where the weekly payments have been continued for six months, the Act provides that an employer, if he so desires, can make application to the Courts to redeem the payment by a lump sum. The sum so payable must be equal to an amount which would, if invested, purchase a life annuity

through the Post Office Savings Bank equal to 75 per cent. of the annual value of the weekly payments.

Industrial Diseases. (Sect. 8.) This Section constitutes a new departure in English legislation, and for the first time makes employers responsible to compensate their workmen for industrial diseases, i.e., diseases due to the nature of the workman's employment. We have seen that under the Act of 1897 the courts held that a zymotic disease (i.e., anthrax) came within the purview of that Act, but it was a condition, precedent to the workman's right to recover in such instances, that he proved the disease was an "injury by accident." This condition of things is now modified by this section, nevertheless, many difficulties present themselves when a claim arises. Where the disease is one contracted by a gradual process (such as lead poisoning), special rules of procedure have been laid down for ascertaining whether the immediate or previous employer is liable, and where the responsibility rests with more than one employer, each has to make a contribution towards the compensation payable.

Serious and Wilful Misconduct. (s. 2 (c) of Sect. 1.) This Section enacts that where a workman has brought about the injury through his own "serious and wilful misconduct," he is not entitled to compensation. This is practically the only defence to a claim given to the employer under the Act of 1906, but owing to its restricted nature it is of little practical use, inasmuch as where the injury is of a permanent character the employer is debared from setting up the defence. Further, the misconduct must be both *serious* and *wilful*, and the onus of proof that the injury arose as the result of such conduct rests upon the employer.

Sub-Contracting. (Sect. 14.) Where any person (the principal) in the course of, or for the purpose of, his trade or business, contracts with any other person (the contractor) for the execution of any work undertaken by the principal, the latter is responsible to compensate the contractor's men for any injury they may sustain, as though they were immediately employed by him (the principal). The Section also provides that "where the contract relates to threshing, ploughing, or other agricultural work, and the contractor provides and uses machinery driven by mechanical power for the purpose of such work, he (the contractor), and he alone, shall be liable under this Act to pay compensation to any workman employed by him on such work."

Notwithstanding anything in this Section, the workman's right to sue his own employer (i.e., the contractor) instead of the principal, remains.

There has been much speculation as to the correct interpretation of the phrase: "Work undertaken by the principal." The chief difficulty arises over the meaning of the word "undertaken." It is considered by one authority that the correct meaning is, "Work which a principal in the ordinary course of following his trade or business holds himself out as being willing to do, excluding work which cannot fairly be called a part of his trade or business."

Under the corresponding Section of the Act of 1897, the principal was not liable where the contract was ancillary or incidental to, and no part of, or process in the trade or business carried on by him. Many cases were decided by the courts under this Section, and the decisions are useful in enabling us to form an opinion upon similar cases coming under the 1906 Act.

In the case of *Dittmar v. Wilson, Sons & Company, Ltd.*, 1909, 1 K B 389, which was an appeal by the owners of a lighter from a decision given against them under the 1906 Act in respect of an injury to a sailor during navigation, the owners of the lighter entered into a contract with a Captain Glover to navigate it to Cape Verde, in consideration for which they agreed to pay £192 10s. Captain Glover to provide an efficient crew and to pay their wages, and also to indemnify the shipowners against claims made by the crew.

The Master of the Rolls, in the course of his judgment, said: "In the circumstances, I think the appellants (*i.e.*, the shipowners), *in the course of or for the purpose of their trade or business*, contracted with Glover for the execution by or under Glover of part of the work proper to their *undertaking*, and in that sense *undertaken* by them, so that the case falls within the precise terms of the Section."

Under this Section the *principal* can only be held liable where the accident arises *on, in, or about* the premises on which he has undertaken to do the work, or which are otherwise under his control.

Later Legislation. Consequent upon the rapidly diminishing purchasing power of the pound sterling with the consequent increase in the rate of wages paid in most trades during and subsequent to the war, it became necessary for the Government to consider a revision of the amount of compensation recoverable, under the Workmen's Compensation Act, 1906, by a person coming within its scope, for injury received in the course of his employment. The Government, therefore, in 1917, passed an Act by which the weekly payments under the 1906 Act were increased by 25 per cent. Subsequently, in 1919, a further Act was passed increasing the amount to 75 per cent.

Briefly stated the present position is:

In the case of minors who earn under the 1906 Act were less than £1, the compensation payable was 10s. per week; it is now 17s. 6d. per week.

In the case of adults who were entitled to £1 per week compensation under the 1906 Act, they are now entitled to 35s. per week.

It must be borne in mind that the additional compensation payable under the War Addition Acts only applies in cases where the injured person is *totally* incapacitated.

It follows that in order to meet this additional liability insurance companies have found it necessary to increase the rates of premium charged in Workmen's Compensation Act business. Owing, however, to the large increase in the wage rates of practically all firms due to the higher rate of pay, the additional premium charged by the companies does not bear the same ratio to the pre-war charges as the increase in the benefits payable under the Act bears to the pre-war benefits.

Roughly the premiums have been increased by 21 per cent., as against 75 per cent. increase in the compensation payable.

Time alone will tell whether the increase in the premiums will be sufficient to meet the additional claims expenditure.

INDENTS.—What is known as an indent is a bill of goods sent by an overseas firm to a home buyer for purchase to the best advantage. Let us consider an indent for cotton goods, such as a large firm of merchant shippers would receive week by week or

fortnightly, according to the arrival of the mail. The buyer commences by telephoning the different manufacturers to submit patterns of the best they can do at a certain price. The patterns having arrived, the buyer proceeds to examine them, and after having decided on, say, two or three of the best cloths from the eight or ten sent in, he will pass to a more minute examination, and if he thinks it necessary, proceed to tests for count, breaking strength, etc., until he is quite satisfied that the cloth which he decides to buy is absolutely the best of the patterns submitted. Two or three cloths being equal, the designs and the length of time required for delivery would help to a decision. The buyer knows his market, knows that certain districts do not care for blues, others prefer blues and do not like pinks, and he must buy accordingly. Given two cloths equal in value and two lots of designs equally saleable, one firm requiring ten weeks for delivery and the other six weeks, the buyer would decide on the latter. To execute an indent properly, then, the buyer must be something akin to an expert in his own particular branch of trade, must know his business from A to Z, must have almost as much knowledge of the goods he buys as the manufacturer from whom the goods are bought. Take a buyer of cotton goods. He must have some knowledge of the processes through which the cotton passes from its raw state to its finished condition in the piece: Ginning, bale-breaking, combing, carding, spinning, sizing, weaving, bleaching, dyeing, mercerising, etc., etc. With woollen or linen goods a similar knowledge must be possessed by the successful buyer. So much, then, for textiles.

With proprietary articles, such as Baxol, Pears' soap, Sunlight Soap, Colman's Mustard, Bécham's Pills, etc., there is no difficulty. The order is placed and confirmed, and shipment and payment arranged very easily.

But samples cannot be submitted of, say, non-gutters or fire engines, or machinery. Unwieldy articles indented by overseas firms are in nearly every case bought from catalogue.

Let us take, as a final instance, that we are buying to indent a quantity of shawls for shipment to, say, South Africa. Four firms are in competition for the order: Scotch, Lancashire, German, and Italian. Prices and quality are equal. Then we must consider the various trade or cash discounts, cost of carriage to docks, to say, Glasgow, Birkenhead, Hamburg, or Genoa, whether the goods are delivered F.O.B. (free on board), F.A.S. (free alongside), or free to docks only, or whether a C.I.F. (cost, insurance, and freight) quotation would work out cheaper than F.O.B. plus cost of freight. The point at which we must aim when buying to indent is the cheapest landed cost at destination.

INDENTURE. (Latin *Ind*, and *dens*, a tooth). An indenture is a deed under seal between two or more persons.

Its name dates from the time when a deed was indented along one of the margins. It was the custom to cut a deed in two parts on the one parchment, and between each part a blank space was left, along the blank space a word, often the word "chirographum," was written and the parchment was then cut into two by dividing it with an indented or wavy line through that word. Each of the two parties to the deed received a part, and when at any time the two parts were brought together again it showed that they were the correct

documents when the indents agreed and the divided word was completed.

The writing of the word "chirographum" or other word or letters in the blank space was in later times omitted, and the parchment was merely divided with an indented line. Finally an Act was passed (8 and 9 Vict. c. 106, Section 5), providing "that a deed executed after the first day of October, 1845, purporting to be an indenture, shall have the effect of an indenture although not actually indented."

The date of an indenture is at the beginning of the deed.

An indenture begins as follows—

This Indenture made the tenth day of May, 19... between John Brown, of King Street, in the City of York, grocer, of the first part and John Jones, etc. (See DEED POLL.)

INDEX.—A table setting forth the subjects contained in a book, and arranged in alphabetical order.

INDEXING.—An index is a table of names or subjects arranged in alphabetical order. The object is to facilitate reference to the names or subjects of the book or the goods comprised in a catalogue. It is a most necessary part of a work of reference, and the extent of the index depends largely upon the nature of the book. However valuable the contents of a book may be, its usefulness is greatly minimised by a scanty or badly arranged index. An illustration of how an index saves time in making references is best seen by the ordinary commercial ledger, in the posting of which labour and time would be multiplied a hundredfold if there were not a ready means of finding the desired folio. Other business books requiring an index are the letter book, the order book, the telegraph book, and the minute book. The inward correspondence also needs to be carefully indexed, but this matter is fully dealt with under the heading of Vertical Filing.

There are various methods of indexing in use in commercial houses, the principal method being (a) Simple Index, (b) the Chain Index, (c) the Vowel Index, (d) the Geographical Index.

The simple index is generally used for small ledgers, in which the names of the customers are not very numerous. Under this system the names of the persons or firms to be indexed are written in alphabetical order, the surnames being placed first. Thus, Thomas Wilson & Co. would be indexed Wilson & Co., Thomas—not Wilson, Thomas, & Co., as "Thomas" might easily be mistaken for the name of a partner of the firm.

Where there are a large number of names comprised in a ledger, it is better to subdivide this index and apply to it the vowel principle, which consists of dividing each page of the index into

six columns, headed with the vowels A, E, I, O, U, and Y. In this case the names are entered in the column corresponding with the first vowel following the initial. Take, for example, the following names commencing with B, but followed by different vowels: Thomas Brown & Co.; The Bentley Book Co.; Jas. Birtles; Barker Bros.; S. Burton & Son; Byker, Shaw & Co., Ltd. Adopting the vowel system, these would be indexed as below.

This method is especially useful for letter books, registers, etc., in which a great number of names have to be recorded.

The chain index is of use in the letter book where numerous letters to the same person require to be indexed. The name is first entered in the index, and following it is written the number of the page on which the letter to that particular person is copied. In the case of a first letter to a person, the leaf of the letter book would be marked 0, or merely ticked, indicating that there were no previous letters to that person in the book. Whenever another letter occurred, however, the page marked 0 would now be marked with the number of the page of the next letter to that person, e.g., 34, and page 26 in its turn would be marked with the number of the previous letter, and also the following, thus, 39. The following example will illustrate this—

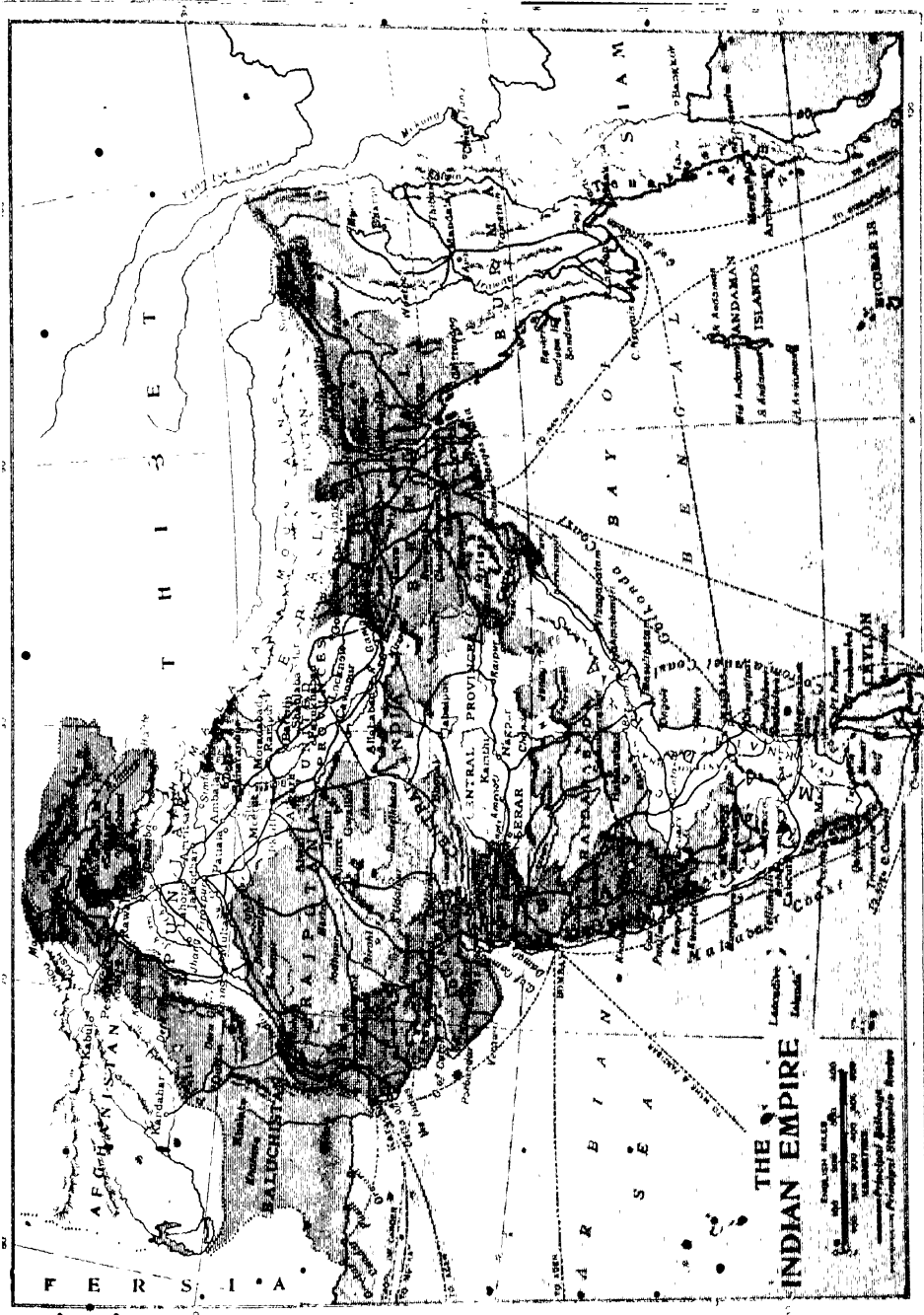
Index.

Dewhurst & Co., John,	15, 26, 39, 73
	0 15 26 39
<i>Letter Book pages</i>	26 39 73

It will be seen that these numbers now form a complete chain from the beginning to the end (and *vice versa*) of the series of letters. Whichever copy letter to Dewhurst & Co. is turned up, the figures on the top indicate the previous and following letters, and further reference to the index is unnecessary. Letter books often contain their index at the front of the book, but the best method is the more recent one of having an extension index at the back of the book. This index, although fastened to the binding, may be extended to be alongside the book, and is a great convenience when the index is being entered up.

The geographical or district index is used where it is desired to classify customers or clients according to their towns, counties, or districts. For instance, it may be more convenient to a firm to divide up the map of England and Wales into, say, eight sections, in each section of which there may be a traveller or a branch office. In this case, separate ledgers, address books, etc., are often used, and the vowel system followed in each. If the vowel system is not sufficient, however, to afford ready reference on account of the very large number of names, more columns may be used, and

A	E	I	O	U	Y
Barker Bros.	Bentley Book Co., The	Birtles, Jas.	Brown & Co., Thomas	Burton & Son, S.	Byker, Shaw & Co., Ltd.



the letters further subdivided, *e.g.*, Sa, Se, Sc, Sh, Si, Sk, etc. In a case of this kind, however, the card index would be the readiest and most elastic method of dealing with the matter. The advantages of the card system are discussed elsewhere. (See CARD INDEXING; INDEXING, CARD.)

In indexing names, the following rules should be observed:—

(1) Ordinary names should be indexed under the *surname*, *e.g.*, Smith (John).

(2) Compound names should be entered under the first part of the name, and separately under the second, *e.g.*—

Ford-Smith, A. M.

Smith (A. M. Ford). See Ford-Smith.

(3) Titles and dignities should be added thus: Wilson, (Sir Frederick) Bart., J. P., D. L.

• (4) Names with prefixes Des, Du, De, La, Le should be entered as follows: Du Maurier (Chas.), DeLaval (Paul), La Touche (S. P.), LeMare (Joseph). Other foreign names should be indexed under the surname following the prefix, *e.g.*, Heyde (J. von der); Bulow (A. Von); Cate (H. ten), Knoop (J. de).

Public institutions and corporations should be entered as far as possible under the name of the town, thus London County Council, Liverpool Corporation, Nottingham Public Library, Glasgow Infirmary, Manchester Simpson Memorial Institute (with reference from Simpson Memorial Institute).

INDEXING, CARD.—The subject of card indexing has been dealt with at some length in the article under that heading. One or two recent innovations which are not noticed in that article, however, demand attention. The advantages of a card index over book records are now generally conceded, but users of the former will agree that there are one or two disadvantages—the more pronounced the more the card index is resorted to. For instance, it is a disadvantage that, in the case of the ordinary card index, only one card is visible at a time; then, again, a card is liable to be lost or filed in its wrong place. Several ideas have now been introduced to remedy these defects. In the Bixada system a large number of entries are visible at a glance, and corrections to any entries can be made without removing the cards from their places, while cards can easily be removed for re-arrangement if required. The equipment consists of cards which are inserted into metal frames, and standards to which the frames are attached by hooks. The cards can be slid up and down the frames, and this permits the introduction of new cards in proper order. Another useful system is the Cardifolio, which embodies a combination of the loose-leaf and the cabinet card index systems. The Cardifolio is a system of filing cards upon the leaves of a loose-leaf book, thus enabling a number of cards to be seen at a glance. Corrections can be made without removing a card, and new entries can be made on blank cards which are inserted at intervals. The uses to which the “visible” indexes can, with advantage, be put, will readily occur to the business man. (See CARD INDEXING.)

INDIA.—**Position, Size, and Population.** India includes the middle of the three great southern peninsulas of Asia. Northward it extends into the Himalayan region, its extreme north being at the foot of the Pamir plateau. Westward it includes Baluchistan and eastward Burma, part of the peninsula of Indo-China. India proper is held solely for economic reasons, so, too, is much of

Burma. Baluchistan, however, is important for purely strategic reasons, as it commands one of the routes to India from the west. The whole of the peninsular area lies within the tropics. Cape Comorin, in the south, is only 8° from the equator, while the extreme northern point is in latitude 37° N. The east and west limits are in longitude 61° E. and 99½° E. respectively.

The total area is 1,802,657 square miles, and the population a little over 315,000,000.

Political Divisions. The larger part of India is administered directly by the British, and the remainder by native rulers under the guidance of a British resident.

The Provinces and States are shown on the next page.

Build and Rivers. India, without Burma and Baluchistan, is divided into several well-marked physical regions. The southern portion contains the tableland of the Deccan (*i.e.*, southern land). Along the borders of this is a narrow coast region in the west, and a much wider one in the east. To the north-west of it is the smaller Malwa plateau, and right across the north the great lowland which is drained by the Indus and the Ganges. Further north, beyond this, is the Himalayan region, a great mountain wall extending for a distance equal to the distance from London to the Crimea—or, further, if its curve be straightened out. It consists of a number of ranges roughly parallel, which vary in height from 5,000 to almost 30,000 ft. To cross through the whole of this great system, there is no pass as low as the summit of Mont Blanc in the Alps, while some are as high as 19,000 ft. Beyond the Himalayas, northward, is the high tableland of Tibet, at the western end of which is the Pamir plateau, called by those living near it the “Roof of the World.” South-westward from the Pamir are the Hindu Kush, which form the watershed between the Indus of India and the Amu, or Oxus, of Russia. To the west of the Indus valley is the plateau of Iran, whose bordering mountains form part of the wall enclosing the plain of the Indus.

The Deccan, which varies in height from 1,500 ft. to 2,500 ft., is bordered on the west by the Western Ghats, which in parts actually touch the sea. Down the seaward slope of these there run short, swift torrents that have not cut deeply enough to make valleys by which the interior can be reached, so that railways and roads can cross only at few places, and even then with difficulty. The Tapi, south of the Narbada, is the only westward flowing river of size in the Deccan. Eastward the Deccan slopes down towards the Bay of Bengal, its border on that side being very much broken up by the large rivers which rise in the Western Ghats and the northern hills, the Mahanadi, Godavari, Krishna, and Cauvery, so that the Eastern Ghats are neither so continuous nor so marked in character as the Western. The Malwa plateau is separated from the Deccan by the deep valley through which the Narbada flows.

An important feature of the north-western part of the Deccan, a large part of Malwa and also of the peninsula of Gujrat, is the existence of a black soil, formed by the disintegration of old lava flows. Besides being very fertile, it also possesses the property of retaining moisture during long periods of drought, so that crops, especially cotton, succeed, even where the rainfall is at times uncertain. Throughout the Indo-Gangetic plain, the only part

PROVINCES AND STATES.

BRITISH	Area in sq miles	Population.
Burma (Upper, Lower, and the Shan States)	230,839	12,115,217
Bengal	78,699	45,483,077
Assam	53,015	6,715,635
Bihar and Orissa	83,181	34,490,084
United Provinces (Agra and Oudh)	107,267	47,182,044
Ajmer-Merwara	2,711	501,395
Punjab	99,779	19,974,956
N W Frontier Province	13,418	2,196,933
Baluchistan	54,228	414,412
Bombay (Bombay, Sind, Aden)	123,059	19,672,642
Central Provinces and Berar	99,823	13,916,308
Coorg	1,582	174,976
Madras	142,330	41,405,404
Andamans and Nicobars	3,143	26,459
NATIVE	Area in sq miles	Population.
Assam State (Munipar)	8,456	346,222
Hyderabad	82,698	13,374,676
Baroda	8,182	2,032,798
Mysore	29,475	5,806,193
Kashmir	84,432	3,158,126
Rajputana Agency (Alwar, Bharatpur, Bikaner, Bundi, Dholpur, Jaipur, Jaisalmer, Jodhpur, Karauli, Kotah, Tonk, and Mewar)	128,987	10,530,432
Central India States (Bairwar, Bhopal, Dhar, Gwahior, Indore, Orchha, and Rewa)	77,367	9,356,980
Bihar and Orissa States	28,648	3,945,209
Bombay States (Cutch, Kholhapur, and Khanpur)	63,864	7,411,675
Madras States (Travancore, Cochin, Banganapalle, Sandur, and Pudukkottai)	10,549	4,811,841
Central Provinces State	31,174	2,117,092
Bengal States	5,393	822,565
United Prov. States (Rampur and Gathwal)	5,079	832,036
Punjab States (Patiala, Bahawalpur, Jind, Nabha, Kapurthala, Mandi, Sirmur, and Chamba)	36,551	4,212,794
N W Frontier Province (native)	25,500	1,622,094
Baluchistan States	80,410	420,291

that rises above 690 ft. is on the watershed between the two systems, and here even the rise is so gradual as to be almost unnoticeable. From this higher land the country slopes down to the sea south-eastward and south-westward to the deltas, where the surface of the land is practically level with the surface of the sea. The whole plain, and with it much of the eastern coast lands, is made up of soil carried down from the Himalayas and deposited by the rivers. Here, again, the surface of the land is but little above that of the rivers and the level of the underground water, so that wells innumerable are sunk for irrigation purposes in the Ganges basin, the number in the land between the Gogra and the Ganges being so great as to preclude the necessity for irrigation canals. The lower Brahmaputra valley may, in one sense, be considered as an extension of this plain, although the Khassia Hills narrow it very much.

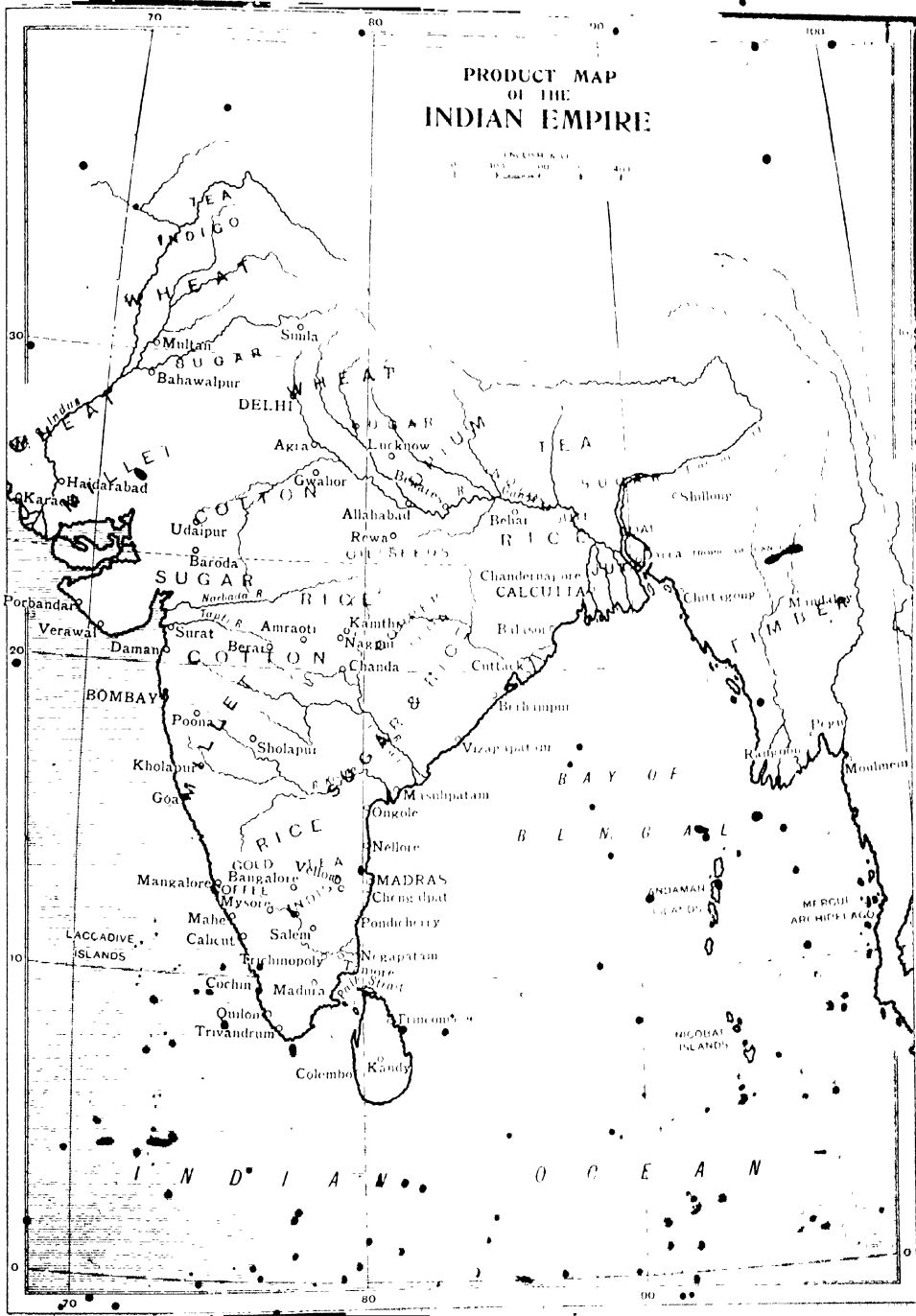
In Burma the mountain ranges run north and south, with the great rivers Irawadi and Saluen in the valleys between them. The chief lowland areas are the deltas of these rivers—the Irawadi having the larger—and the plains above them. There is also a very narrow coastal plain in parts.

Baluchistan is part of the Iran plateau, of which Persia and Afghanistan occupy the remaining part, and lies much higher than the adjoining plain of Sind.

The Coasts. Although it has such a long coast line, India is very poorly supplied with harbours. The finest harbour in the country, that of Bombay, is formed by a small group of islands, of which Bombay Island and Salsette are the largest. Along the deltas of the larger rivers the shores are low and marshy. Karachi, although the port of the Indus basin, is built well to the west of the delta. Behind the peninsula of Cutch is the great salt marsh known as the Rann. On the western coast, south of Calicut, is a system of backwaters, shallow, but suitable for small craft to take refuge in at the height of the monsoon. On the corresponding part of the eastern coast is the shallow Palk Strait, across which a chain of islands and sandbanks make the building of a railway bridge to Ceylon a possibility in the future. The deepest passage through this is the Paumban Passage, which is suitable for coasting vessels, while ocean ships have to pass right round Ceylon.

From Bombay southward to Goa is the *Konkan Coast*, south of this is the *Malabar Coast*. On

PRODUCT MAP OF THE INDIAN EMPIRE





the east, Madras is on the *Coromandel Coast*. From the mouth of the Kistna to the mouth of the Mahanadi is the *Goleconda Coast*, and beyond this the *Orissa Coast*, stretching as far as the Hugh mouth of the Ganges. The coast lands of the delta are known as the *Standerbunds*.

Communication. Of the rivers of India, the only one that affords communication for any considerable distance is the Brahmaputra, on which steamers ascend as high as Dibrugarh, the boats that at one time ran on the Indus having now been discontinued. Despite its size, the Ganges has no great through traffic upon it, but in its valley is the closest network of railways. In the Deccan the general east and west line of the river valleys makes the building of a north and south railway impossible. The total length of line in the whole empire (*i. e.*, including Burma and Baluchistan) is over 31,000 miles. Of this, over 21,000 are owned by the Government of India.

Most of the Indian railways are of standard gauge—5 ft 6 in. After this comes the metric gauge—3 ft 3½ in., chiefly in the less populated parts of the central Deccan, Rajputana and Gujarat, and along the foot of the Himalayas in the Ganges basin. Special gauges of 2 ft and 2 ft 6 in. are in use for short stretches of line throughout the country.

From Bombay the railway climbs up to the Deccan by a pass 1,900 ft. above the sea, necessitating the employment of many zigzags and reversing stations. As soon as the tableland is reached, one branch goes north-eastward to Allahabad and Calcutta, and another south-westward to Madras. At Goa a metric gauge line ascends the plateau. Behind Calcutta is a very low pass, through which runs a line to Madras. From Madras to Calcutta the line follows the coast. From the line which runs parallel with the Indus are important strategic branches, one going to Quetta, at the mouth of the Bolan Pass, and the other to Peshawar, at the mouth of the Khyber.

The Great Trunk Road, from Calcutta to Peshawar, is now used only locally since the extension of the railways.

Climate. The climate of India depends largely on the monsoons. These are winds which blow regularly from the south-west from May till October, and from the north-east from November to February. The south-west monsoon, coming from the ocean, brings rain to the whole country, except that part around Madras, which is protected by the hills behind it. The windward sides of the Western Ghats, the Himalayas, and other mountains receive the most copious downpours, while, in the Deccan particularly, the country, in the lee of the mountains has an uncertain rainfall and periodic famines. The north-east monsoon, blowing for the most part over the land, is cool and dry, the only part of India having rain then being the south-east. The hot season is between the two monsoons, in March and April, so that the three principal seasons are the hot, the rainy, and the cool. With a range of 30° of latitude, there is, of course, a marked difference in the degree of heat or cold in the north and south, while the rainfall varies from the almost desert conditions of the lower Indus valley and Rajputana to those of the Khasia Hills in Assam, where the annual downpour of about 600 in. is greater than in any other part of the world.

Agricultural Products. On the western coast of the peninsula and on the western slopes of the ma-

the most important timber is the teak. In the Himalayan region the deodar, a kind of cedar, is plentiful, and in the intervening area the sal. The bamboo, of great local importance, grows almost everywhere, and several varieties of palm are found along the western coast. In the delta of the Ganges—Brahmaputra, and in the districts along the foot of the Himalaya—are dense wet jungles. While the forests of Assam are more open. The most important grasslands are in the west of the Punjab, and on these stock-raising is a leading occupation.

Of the agricultural products, the most widely grown are—Oil seeds, millet and pulse, the two latter forming the staple food of a large part of the population. The principal oil seeds are: Linseed, mustard, castor, rape, and sesame; the two millets most largely grown are great millet (*pearl*) and spiked millet (*bajra*). The chickpea (*gram*) is the most important of the pulses. Other food crops are sugar, rice, wheat, tea, coffee, and tobacco. The chief industrial plants are cotton, jute, and indigo. Of drugs, opium is the most profitable crop.

Sugar. Cane sugar is very extensively grown, but does not enter much into commerce, as the bulk of the crop is for home consumption. The amount produced being insufficient, some has to be imported. The principal areas are in the northern half of the country, where Agra, Bengal, Oudh, the Punjab, and Eastern Bengal are the largest producers. In the southern part of the country, sugar is made from the *Palmyra* and other palms.

Rice. Although some upland or hill rice is grown, which does not require irrigation like the lowland variety, the latter is by far the more important crop. Since it must be planted where water to a considerable depth can be allowed to cover the fields at particular stages in its growth, the areas where it can be produced are confined to the low-lying fields at the sides of streams, and hence most abundantly in the delta lands of the east, where two crops are generally obtained in the year, sometimes from the same field. Despite this limitation, however, more land is under rice than any other crop. Bengal has the largest area under rice, the area being equal to more than that of all the other States together. After these come Madras, the United Provinces, the Central Provinces, Assam, and Bombay.

Cotton. Cotton is a plant which grows best in sub-tropical regions, or within the tropics in the more elevated regions, so that in India the principal cotton areas are on the high tropical Deccan, especially in Khandesh, Berar, and Wardha, and the lowlands of the Indus and the Ganges. Indian cotton is not so suitable as American cotton for manufacture by machinery, having been produced for centuries to supply the hand workers at home, but with the increase of machinery in the country a more suitable quality is being raised at Bombay is the largest producer, followed closely by the much smaller province of Berar. Of the other provinces, Madras, the Central Provinces, and Agra and the Punjab are also important.

Wheat is a winter crop in India, being sown in October and November, and reaped in February and March, and is grown most largely in the uplands north of the Ganges, and the lowlands still farther north. The Punjab produces more than one-third of the total crop, and Agra and Oudh about a quarter. Of that grown in the uplands, the Central Provinces supply two-thirds and Bombay

nearly the whole of the remaining third. Karachi, which has the advantage of being the nearest port to Britain, handles most of the export.

Tea, which requires copious rainfall without the actual flooding of the fields, is grown on the hill slopes of Assam, where the rainfall is high and the character of the ground such as quickly to drain off flood water. Two-thirds of the total area under tea is in this province, nearly all the remainder being produced in Bengal. A little is grown in the Punjab, in Agra, and in Madras.

Indigo, of which India furnishes the United Kingdom with its largest supplies, is grown chiefly in Bengal and Madras, and to a less extent in the Punjab, the United Provinces, and Sindh.

Tobacco is raised in Bengal, Madras, Bombay, the Punjab, and the United Provinces.

Opium is supplied chiefly by the district of Behar, in the Ganges basin.

Jute, which quickly impoverishes a soil, flourishes in the low Ganges-Brahmaputra delta, where periodic floods leave a fresh deposit of soil when they retire.

Coffee is grown in the uplands of Madras and in the small mountainous province of Coorg, an enclave of Mysore.

Mineral Products. Until recently the mineral wealth of the country was but little used, in proportion that is, to the size of the population, and metals were worked on the smallest scale, a portable furnace and a blow pipe being the chief stock-in-trade of the smiths. Western methods of production, however, are now rapidly extending, especially in the iron industry.

Coal. The largest coalfield of India is in Bengal, to the west of the Hughli, the principal centres being Raniganj, Gridhi, and Barakhar. Other fields are in the hilly country, between Jabalpur and Nagpur, and along the lower course of the Godavari. A small amount is also obtained from Assam.

Iron. Iron ore is found in larger or smaller quantities throughout the country, but smelting on a large scale is hampered by the inconvenient location of the deposits of limestone which is required as a flux. There is evidence, however, that the industry will develop rapidly in the near future. Large deposits of rich ore can be quarried from the hill sides near Salem to the south of the Deccan, but the absence of coal and limestone renders them of little actual value. The largest iron works in the country are at Barakhar, where the local supplies of coal and iron can be used in conjunction with the limestone found in the region to the south.

Gold is found in the south of Mysore and in the east near Kolar.

Manganese is a mineral of increasing importance. The principal centres are at Nagpur and Vizianagaram, in Madras.

Tin ore is also obtained.

Copper is found principally along the foot of the Himalayas, west of Darjiling.

Petroleum is obtained chiefly in Burma, but also in Assam. The consumption of petroleum in India has enormously increased, there being a great rise in both the amount produced and the amount imported.

Other Minerals. *Saltetre*, of which there are extensive deposits at Behar, in the Ganges valley, is now little worked on account of the competition of the Chilean product.

Salt is mined in the Salt Range of the Punjab, and obtained from the evaporation of salt water

around the coast and the edges of the Rann of Catch and other regions of salt marsh.

Mica, in small quantities, is found in Bengal.

Animals. The animals of economic importance are *cattle*, principally the humped variety used for draught and farm purposes; the *sheep* and the *horse*. The number of cattle is 91,000,000; of sheep, 18,000,000; and horses, 1,300,000.

The *sheep* is kept chiefly for its wool, which enters largely into commerce, over 43,000,000 lbs. being exported annually, of which nearly 42,000,000 lbs. come to the United Kingdom.

Elephants, whose numbers are recruited from the wild herds, are employed largely for military transport. Large areas of forest are reserved for the herds, which are carefully protected from indiscriminate destruction.

Kites, *adjutants*, and other birds, and, in some places, *jackals*, are tolerated for their scavenging propensities. Of harmful animals, *tigers*, *panthers*, and *snakes* are the most destructive both to men and to farm animals.

The People, Languages, and Religions. As India is such a compact country on the map, it is sometimes lost sight of that it has not one people, with one language and one religion, but a complex of many different races and languages, and with every form of religion from the lowest to the highest; yet when it is pointed out that there are as many people in India as in the whole of the New World, with Africa added, the fact is not so striking. The boundaries of provinces and States have little relation to any of these; and, although languages are to some extent regional, people of diverse race and religion live in the closest contact, a fact which accentuates rather than diminishes the barriers between them. The differences which exist are due largely to the number of invasions of the country that have occurred since prehistoric times. One cause of these invasions was the fact that it was but seldom that the whole country could be brought under the sway of one ruler, and the quarrels between the States became the opportunity of the invader. It was by taking advantage of such quarrels that the British in the first case gained a firm hold.

The number of languages spoken in India totals 220. They fall into four principal classes: (1) the Indo-European (Aryan), 233,000,000; (2) the Dravidic, 37,000,000; (3) the Andhra, 24,000,000; and (4) the Tibeto-Burman, 11,000,000.

Of the principal languages, the following are each spoken by more than 10,000,000 of people: Hindu (82,000,000); Bengali (48,000,000); Telugu or Andhra (24,000,000); Marathi (20,000,000); Panjabi (16,000,000); Tamil (18,000,000); Rajasthani (14,000,000); Western Hindi (14,000,000); Haryana (10,000,000); Gujarati (10,000,000); Oriya (10,000,000).

English is spoken by rather more than 250,000.

The principal religions are: Hindu (218,000,000); Mahomedans (66,000,000); Buddhists (11,000,000); Christians (4,000,000); Sikhs (3,000,000); Jains (1,250,000). Of the Christians, two-thirds belong to the Province of Madras, where at one time Portuguese missionaries laboured.

There are 21,000 Jews, chiefly in Goa, and 100,000 Parsis scattered throughout the country, and to a large extent controlling its commerce.

Occupations. *Agriculture* has always been the leading occupation in India, and even now two-thirds of the people are directly dependent upon

the soil. The following list gives in millions the numbers in the principal occupations: Agriculture (192); general labour (18); food, drink, etc. (17); textile industries (11); professions (5); commerce (4).

Commerce. *Imports.* The principal imports by sea are mainly from the United Kingdom. By far the most important item is cotton goods. Then come sugar, railway material, machinery, iron, steel, hardware, and woollen goods.

The principal import by land is grain, and the chief country traded with Nepal.

Exports. The principal exports by sea are raw cotton and cotton in various stages of manufacture, raw jute and jute goods, rice, hides, seeds, tea, and opium. These are sent mainly to the United Kingdom and the British Possessions generally, especially Hong-Kong, Ceylon, and the Straits Settlements, the leading foreign countries being Germany and the United States.

The exports by land, chiefly to Nepal and Afghanistan, comprise most largely European cottons.

Divisions and Commercial Centres. DELHI was proclaimed the capital of India in 1911, and was constituted a province in the following year. It suffers in comparison with Calcutta with regard to sea communication, but this is counterbalanced by its more central position and the concession to native sentiment. Already, as the natural centre of the railways of northern India, it has become a large market for the produce of the greater part of Indus-Ganges plain, a fact that will undoubtedly be emphasised by its being the seat of government. The native industries include muslins and other fine textiles, fine gold and silver work, wood-carving and pottery. It is also developing textile and other industries on European lines. The population of Delhi city is 229,000.

BENGAL comprises the deltas and lower basins of the Ganges and Brahmaputra. The soil is very fertile, and enormous quantities of rice are grown, the area under that crop being equal to nearly half the total area in the Empire. Other important crops are oil seeds, peas, wheat, tea, indigo, and tobacco.

Calcutta (1,222,313) became the capital of British India in 1773, and remained such until it was superseded by Delhi in 1911. It stands on the eastern bank of the Hugh, the largest of the distributaries of the Ganges. Its docks, the largest of which are below the city at Kidapuri, extend for 10 miles, and there is accommodation for vessels drawing 34 ft. The distance from London is about 8,000 miles. The principal exports are jute, cotton, rice, wheat, and opium, and the principal imports coal, iron and other metals, hardware, cotton goods, and other textiles.

Dacca (109,000) is a town once famous for hand-made fabrics, but now merely a local centre.

Chittagong, which is older than Calcutta, is concerned with the shipment of jute, rice, and tea.

THE UNITED PROVINCES OF AGRA AND OUDH lie between the Jhanna on the south and the Himalayas on the north, and are traversed by the Ganges and several of its large tributaries. Irrigation is carried on to such an extent that the size of these rivers is greatly diminished. Rice is the most extensively grown crop, but, commercially, wheat is the most important. These provinces contain the richest wheat-growing country in India, and the natural fertility has been greatly increased by the splendid irrigation works. The

sugar cane is cultivated, especially in the north, and a large area is under cotton.

Allahabad (172,000), the chief city of Agra, is the capital of the provinces.

Lucknow (260,000), in spite of its size, is of little more than local importance. It has, however, considerable textile and metal work industries, carried out by hand. Recently, however, factories on Western lines have been established for the manufacture of iron and paper. It is the chief city of Oudh.

Banars (204,000), with manufactures of silk, gold, and German silver goods, owes its importance largely to the fact of being the centre of Brahminism.

Cawnpore (179,000), on the Ganges, has large cotton and leather industries organised to an increasing extent on Western lines.

Agra (185,000) and Meerut (116,000) are among the towns whose importance has increased with the development of railways.

Shahjahanpur (72,000), in the sugar-growing area, in the north, is interested in the manufacture of that product.

Moradabad (81,000), the trade centre of the surrounding district, is similarly employed.

Bareilly (129,000) is one of the many towns in the Ganges valley that owe an increased local importance to the railway. Its leading industry is the manufacture of furniture.

THE NORTH WEST FRONTIER PROVINCE comprises five British districts and also the tribal areas which stretch northward and westward towards Afghanistan. Much of the province is mountainous and barren, especially in the tribal areas, though in the British district is much fertile soil, on which wheat, barley, maize, and millet are grown.

Peshawar (98,000), is the headquarters of the Commissioner. It is chiefly important as a military station, as it commands the road through the Khyber Pass.

THE PUNJAB is naturally the land of the five rivers, i.e., the Indus and its four great tributaries. The southern portion of the province is in the region of low rainfall, so that irrigation is necessary for agriculture. Where this is not carried out are extensive grasslands, and on these stock-raising is an important occupation. Rock salt is obtained from the Salt Range. The province has more than a third of the entire acreage under wheat in the country and a considerable area under cotton. Sugar is an important crop, and rice, barley, maize, cotton, hemp, tea, oil seeds, indigo, and tobacco are also grown.

The town and surrounding area of Delhi were separated from the Punjab in 1912.

Lahore (229,000) is the capital of the Punjab, but during part of the year Simla is the headquarters of government.

Amritsar (153,000) has considerable textile manufactures, including the making of shawls. It contains the Golden Temple, the principal centre of the Sikh religion.

Multan (99,000) is the natural centre of the Punjab, importing cotton and other manufactured goods from Britain, and exporting the sugar, cotton, wheat, indigo, and wool of the surrounding neighbourhood.

BOMBAY. Administratively, Bombay includes the Presidency, Sind and Aden.

Sind lies in the driest part of the country, where the extremes of temperature are greatest, and

Agriculture depends entirely on the waters of the Indus.

The *Presidency of Bombay* comprises the low, fertile peninsula of Kathiawar, a large part of the Deccan, and the narrow Konkan coast. In the Deccan are a number of native States. Here, too, on account of the protection from the South-west Monsoon, afforded by the Western Ghats, is the region of the uncertain rainfall and consequent periodic famines. The principal crop is cotton, which is manufactured in the numerous factories in the neighbourhood of Bombay city, Ahmedabad, and Khandesh. Deccan hemp is of great importance.

Bombay (979,000), on the island of Bombay, which with Salsette Island protects the harbour, is about 6,250 miles from London. It exports principally cotton, opium, coffee, wheat, and seeds. Its imports are mainly coal, metals, and manufactured goods, hardware, machinery, cottons, and other textiles. It has large cotton mills, employing in all about 130,000 workers. Its importance has been increased by the construction of a railway up the steep face of the Western Ghats to the Deccan, a feature of which is the reversing stations necessary to surmount the severe gradients.

Ahmedabad (216,000), in Gujerat, is largely interested in the cotton trade, marketing the raw product and manufacturing. It also manufactures silk goods. It is a military station and railway centre.

Surat (115,000), on the lower Tapti, has given place to Bombay as the chief port on the west coast, the anchorage at its mouth being unsafe during the south-west monsoon. Its principal industries are the preparation of rice and cotton for export.

Poona (159,000) is the seat of the government of Bombay during the rainy season. It has cotton and paper mills.

Karachi (152,000), to the west of the mouth of the Indus, is about 6,200 miles from London. It exports the produce of the Indus valley: grain seeds and cotton, the grain trade showing an increase with the extension of irrigation areas in the drier parts of the Indus valley. The principal imports are: Coal, machinery, and timber. During the monsoon, ships drawing more than 26 ft. cannot enter its harbour.

Sholapur (61,000) is an important trade centre and has large cotton mills.

THE CENTRAL PROVINCES occupy the hilly country in the north-eastern part of the Deccan. Berar, permanently leased to the British Government, is attached to the Central Provinces for administrative purposes. There are considerable tracts of virgin forest, and the population is found chiefly in the fertile river valleys, in the lower parts of which rice is the principal crop. Wheat and other cereals are grown higher, and there is a large acreage under cotton and oil seeds.

Nagpur (101,000), in the middle of a fertile plain where the orange is an important crop, is a local market, with increasing cotton manufactures.

Jubbulpore (101,000), on the Narabada, although a railway centre, is of local importance only.

MADRAS occupies the southern portion of the Indian peninsula. It is officially styled Fort. St. George. On the west is the narrow Malabar Coast plain, backed by high mountains, and on the east the much wider plains of the Coromandel and Golconda Coasts, with the deltas of the Cauveri, Kistna, and Godavari. Between the

Nilgiri Hills, forming the southern extremity of the Deccan and the Cardamon Hills further south, is the depression of Palghat, through which runs the rail and road connecting the opposite coasts. Millet is the most extensively grown crop in the uplands, and rice in the lowlands, the lowlands on the east being well supplied with waters from the great rivers, and those on the west by the south-west monsoon. Tea and coconut palms are grown also on the east and coffee in the uplands. Other important crops are cotton, oil seeds, indigo, coffee and cinchona. The rainy season on the south-east is during the winter.

Madras (519,000), on the east coast, is about 7,500 miles from London, and has no natural harbour, a fact that prevents it receiving such a large share of the trade of its province, as is the case with Bombay and Calcutta. There is now a harbour of about 200 acres, but all goods have to be lightered. The principal exports are cotton, sugar, indigo, rice, and coconut oil, and the imports hardware and manufactured goods generally.

Calcutta (78,000) was the landing-place of Vasco da Gama, and so the first port to carry on trade with Europe, a trade which still survives, coffee and timber being exported.

Salem (59,000) has extensive iron deposits, which are at present of little value, owing to the absence of fuel. Experiments are being made, however, to carry the ore northwards to the Orissa region, where coal and limestone are more readily available.

Madura (134,000) and *Trichinopoly* (122,000) are of local importance only.

The *Laccadive Islands* (10,000), form part of Madras for administrative purposes.

ASSAM is the valley of the Brahmaputra, between the Himalayas on the north and the Khasia and Naga Hills on the south. The rainfall in the former is the highest in the world. The area under rice is large in comparison with the size of the province, but the most important crop commercially is tea, of which Assam supplies the bulk of the Indian output.

Shillong (14,000) is the administrative centre.

Darjiling (17,000) is the centre of the tea area.

BURMA is a mountainous country through which from north to south, run deep valleys, the largest of which are occupied by the Irawadi and the Salwin. The northern part is known as Upper Burma. The southern portion, called Lower Burma, includes the deltas of the two great rivers, the narrow Arakan coast plain adjoining Bengal, and the Tenasserim coast plain in the Malay Peninsula. In the Upper Burma, millet is the most important cereal, although a large amount of rice is grown. In Lower Burma, enormous quantities of rice are grown for export. The forests on the mountain slopes yield valuable timber, teak being a leading export. Petroleum is also obtained.

Rangoon (293,000), to the east of the delta of the Irawadi, 8,000 miles from London, accommodates vessels drawing 21 ft. and is increasing rapidly in importance. The principal exports are rice, petroleum, and teak.

Mandalay (138,000), on the Irawadi, is the most important town in Upper Burma, and is connected by rail with Rangoon, along the valley of the Sittaung, which runs midway between the two larger valleys. It is the centre of a considerable river traffic.

Moulmein, at the mouth of the Salwin, exports largely teak and rice.

BALUCHISTAN, a barren and sparsely populated country, is held solely for military purposes.

Khabat (15,000) is the principal native town.

Quetta (34,000), the military centre, is connected with India by rail through the Bolan Pass, and has consequently risen in importance as a trade centre.

BIHAR AND ORISSA, a province constituted in 1912, has a climate similar to that of Bengal. Rice is the principal crop, Patna being the centre of the great rice-growing areas. Wheat, barley, oil seeds, tobacco, and sugar are also grown. The chief mining industry is coal.

Patna (136,000), on the Ganges, opposite its junction with the Gunder, is the centre of the agricultural regions.

Puri contains the famous shrine of Juggernaut.

THE ANDAMAN ISLANDS, in the Bay of Bengal, contain forests of bamboo and valuable timber, as yet untouched.

Port Blair, on a splendid harbour, is used as a penal settlement.

THE NICOBAR ISLANDS, further south, export large quantities of coconut fibre and copra.

AJMER-MERWARA is the British district in Rajputana.

COORG is a province on the plateau of the Western Ghats. It is noted for its magnificent forests.

BHUTAN is a state in the Eastern Himalayas, bounded on the north-east and north-west by Tibet.

NEPAL, although an independent kingdom, maintains friendly relations with the Indian Government.

SIKKIM, a state in the Himalayas, is under the protection of Great Britain.

The Principal Native States. **KASHMIR** lies in the north among the Himalayas. The most important part is the Vale of Kashmir, where **Srinagar** (126,000) the capital, is situated. Agriculture is the leading occupation, although the making of textiles, including cashmere shawls and fine metal work, is carried on in the capital.

THE RAJPUTANA STATES. These lie scattered to the south-east of the Indus, many of them in the semi-arid region where famines are frequent.

The largest of them is **BARODA**, made up of a number of detached fragments, with the city of **Baroda** (99,000) as the capital.

HYDERABAD is the largest Native State in the Deccan, and, being almost wholly in the region of uncertain rainfall, is very liable to famine. **Hyderabad** (501,000) is the capital and only large town. Coal is being raised in the eastern part of the State in increasing quantities, especially in the neighbourhood of Singareen.

MYSORE. Mysore occupies the south portion of the Deccan. In its forests wild elephants abound. Gold is mined and coffee extensively grown.

Bangalore (189,000), occupying an elevated and healthy position, was the capital when the State was under the British.

Mysore (71,000) is the present capital.

Mails to India are dispatched every Friday evening. The time of transit is to Bombay fourteen days, to Calcutta sixteen days, to Madras sixteen days, and to Rangoon eighteen days.

INDIA COUNCIL REMITTANCES.—The Indian Government has to make large payments to the United Kingdom in sterling on account of interest on its debt, etc. This revenue is collected in silver rupees, some of which have, however, to be exchanged for gold, in order that the interest

payments shall be made. On the other hand, a large number of British merchants have to make payments in India in rupees for the enormous quantities of tea, jute, corn, etc., imported from that vast country. The India Council, which is the governing body of India, therefore offers each week for tender so many rupees payable in India, in other words, it sells its rupees in India for sovereigns payable here, thus performing the function of bill brokers so far as remittances between India and the United Kingdom are concerned. Rupees are spoken of in lakhs, a lakh being 100,000. In figures the number of lakhs is usually denoted by the first comma, followed by two noughts, with a comma and then three noughts. For example, 14 lakhs would be written as follows: Rs. 14,00,000.

INDIANMAN. A term now obsolete, but one which was formerly in use to indicate a ship which was engaged in the East Indian trade.

INDIAN CORN, OR MAIZE. The produce of a species of grass, the *Zea mays*, which is now grown principally in the United States and along the banks of the Danube. Maize ranks next to rice in its importance as a cereal, being rich in starchy and fatty substances. From the meal, corn flour or oswego is prepared. Among its other products are paper from the straw, and sugar, vinegar, and treacle from the grass. The British variety is only useful as fodder.

INDIAN INK. (See **INK**.)

INDIAN RUBBER. (See **CAOUTCHOUC**, **RUBBER**.)

INDICATION, LETTER OF.—(See **LETTER OF INDICATION**.)

INDICTMENT. The written statement of the criminal charge or charges advanced against a prisoner at the Central Criminal Court, the King's Bench Division of the High Court of Justice, the Assize or Quarter Session is known under this name. The law on the subject is contained in the provisions of the Indictments Act, 1915, which provides that an indictment must be written or printed or partly written and partly printed on parchment or durable paper not more than twelve inches nor less than six inches long, and not more than fourteen inches nor less than twelve inches wide. A margin of three inches to be left on the left-hand side, and if more than one sheet is used the whole is to be made up in book form.

In its preparation common abbreviations and figures may be used, and it is to be endorsed with the name of all the witnesses to be called before the grand jury. The foreman is required to initial the name of each witness called, but failure in this particular is not open to objection. It is drawn up in the following form:

The King v. A B

Count of Trial (e.g., Central Criminal Court, or the County Assizes held at . . .)

1. General charges may be joined in the same indictment if supported by the same facts or if naturally connected, or a series of offences and misdemeanours and felonies may be joined.

2. There must be a separate paragraph for each count, and the offences must be described in ordinary language without technicalities.

Particulars of the offence must follow, also in ordinary language and the various counts must be numbered consecutively.

The document in question is called an indictment in the Act but it is more technically known as a "bill of indictment." When considered by the

grand jury and a *prima facie* case made out, a true bill (*q.v.*) is returned and the case goes before the common jury.

INDIGO.—A blue dye obtained by fermentation from the leaves of various plants, of which the chief is the *Isatis tinctoria* of Bengal. It is sold in the form of a dark blue solid, and owes its value as a dyeing agent to the presence of indigotin. It is still much used in England for dyeing woollen cloth and for calico printing, but the demand for the Indian article has fallen off tremendously since the introduction, towards the end of the nineteenth century, of artificial indigo, obtained from a coal-tar product, the latter being universally used in Germany and in most other countries. Various kinds of indigo are obtained from South and West Africa, Java, and Central America.

INDIVIDUALISM.—The Individualist, like the Socialist, aims at the maximum amount of public good. He, too, regards society as a co-operation of mutual service; he differs from the Socialist only as to the means of attaining public welfare. The question between him and the Socialist is, after all, one of the stomach; it is a question of how the greatest production of material goods is to be obtained, and how these goods, when in existence, shall be most righteously distributed. The Socialist affirms that these aims are best attained by regulation and combination; his opponent prefers the method of freedom and competition. The Individualist upholds private property, because it is the most potent instrument for stimulating a man to work for his fellows, because, despite the notable and deplorable exceptions, most fortunes have been made by ways that have conferred a far greater benefit on the community than their possessors have ever been able to obtain. "The single brain of James Watt is the greatest wage fund that has ever arisen in the world," and yet Watt made no inordinate fortune. The Individualist honours in their descendants the claims of those who have so added to the public wealth that life is made easier for all. For he holds that the rich man, the great inventor, or a gauser, or initiator, has usually conferred on society much more than he gets from society; and that the poor, "the disinherited," often enough fails to pay his footing in the world. He upholds landed property and patents and copyrights, because the investment of capital in what may be most profitable lines will only be secured when, as a premium against possible loss, profits are assured, either in perpetuity, or for a limited period. He upholds interest because he feels that opportunity of remunerative investment is the greatest incentive to increase and to economise public wealth. He supports the unrestricted choice of occupations and the freedom of contract, not merely because a free man is a higher moral being than one whose whole life is regulated and prescribed for him, but because a certain rough justice proportions rewards to service. He desires that, though the law cannot undertake to punish idleness, intemperance, or improvidence, yet these vices should be visited by their national penalty of poverty; and that too, temperance, and prudence shall reap their fitting recompense of comfort.

In short, he points out that, in all the great departments of the industrial life of a nation, the greatest happiness of the greatest number is attained by the obvious and simple system of natural liberty. In the consumption of goods a man must choose for himself; for in the diversity

of tastes no one has power to say which of two things a man will consider the more acceptable. Give two boys a shilling each to spend, and more happiness will follow if each chooses for himself than if each for the other. In production the Individualist teaches that industrial freedom means greater scope for mutual services; that the success of an enterprise depends on whether the community needs it; and that, as society develops, the interests of its members become ever more harmonious. Competition creates abundance, ease of acquisition, variety, quality, and cheapness to the consumer; and by arousing the spirit of emulation it preserves from languishing the productive forces of the world in their war on want. When operations are carried on by those who necessarily are the most keenly interested in their success, the maximum of utility is obtained with the minimum of waste. Yet the cheapness for which he seeks is that caused by ease of production; not that occasioned by the ill remuneration of the worker. He views the pursuit of private wealth as a means towards the general good; and he criticises as severely as his socialistic opponent business methods which have ceased to be of social service, which sacrifice the general good to private gain. If freedom of exchange is permitted, he argues that goods will spontaneously find the place where they are valued most, because there they can perform most service. He would lay the burden of proof as to the desirability of State intervention on those who advocate it; and would not admit it except where the case for expediency is strong, for he regards the active business of life as a most important part of practical education for a people. He would have all realise their industrial responsibilities; he shows that competition is the form of the struggle for existence, which alone keeps a race or a species from degenerating. And he is loth to trust business to the State, whose agents are usually chosen not from those who are most capable, but from those who please most, and whose methods are more rigid than those of individuals or of voluntary associations.

And the best intentioned Governments may err. People understand their own business and their own interests better, and care for them more, than the Government does, or can be expected to do. A Government has important advantages: it can remunerate and, therefore, command the best available talent; it has access to sources of information inaccessible to private organisations; it can act on a scale and with an authority which are the greatest possible; and under our competitive system and with the constant vigilance of Parliament we have a large supply of pure and disinterested officials. But all these advantages are overcome by the keener interest in the result which men have who are making and risking their own property; and when the Government has no money it does not exercise its taxing power to support its industry, it can hardly ever stand against individual agency. Moreover, its enforced uniformity of system is far less propitious to improvement than the interested competition of rival individuals, eager to avail themselves of every new device that promises well.

INDORSATION.—The word often used in Scotland for indorsement (*q.v.*) or endorsement.

INDORSE.—To indorse is to write one's signature upon the back of a document, e.g., a bill, cheque, bill of lading, etc. (See **INDORSEMENT**.)

INDORSEE.—The person to whom a bill or cheque is assigned by way of indorsement. (See **INDORSEMENT**.) The indorsee, after an indorsement has been made, is the person who is generally entitled to sue upon the document.

INDORSEMENT.—This word is used in two senses, (1) The act of indorsing, or writing on the back of a bill of exchange or other commercial document in order to transfer it, (2) That which is written upon the back of the bill or other commercial document. It has been held that a writing upon the face of a document may have the same effect as an indorsement, but too much reliance should not be placed upon the efficacy of what are, in fact, irregularities, especially when dealing with such important documents as negotiable instruments.

In the case of a negotiable instrument, an indorsement coupled with delivery transfers the property in it to the indorsee. By the Bills of Exchange Act, 1882, indorsement always signifies indorsement coupled with delivery. As regards other documents, which are not strictly negotiable, an indorsement does no more than transfer to the indorsee the same rights which were possessed by the transferor.

An indorsement of a bill of exchange, and this includes the case of a cheque or a promissory note, in order to operate as a negotiation, must comply with certain conditions, the principal of which are the following:—

(1) It must be written on the bill itself and be signed by the indorser. The simple signature of the indorser on the bill, without additional words, is sufficient. An indorsement written on an allonge, or on a "copy" of a bill issued or negotiated in a country where "copies" are recognised, is deemed to be written on the bill itself.

(2) It must be an indorsement of the entire bill. A partial indorsement, that is to say, an indorsement which purports to transfer to the indorsee a part only of the amount payable, or which purports to transfer the bill to two or more indorsees severally, does not operate as a negotiation of the bill.

(3) Where a bill is payable to the order of two or more payees or indorsees who are not partners all must indorse, unless the one indorsing has authority to indorse for the others.

(4) Where, in a bill payable to order, the payee or indorsee is wrongly designated, or his name is misspelt, he may indorse the bill as therein described, adding, if he think fit, his proper signature.

(5) Where there are two or more indorsements on a bill, each indorsement is deemed to have been made in the order in which it appears on the bill, until the contrary is proved.

Generally speaking, the indorsement should correspond with the name of the person to whom the instrument is indorsed or made payable. Thus, if a bill or cheque is made payable to the order of Thomas Smith, the indorsement should be "Thomas Smith and not T. Smith, although this is generally accepted. And the same applies if a bill or a cheque is indorsed and made payable to the order of a particular individual. Additions like Mr., Mrs., Esquire, should be ignored. If a bill or a cheque is made payable to the order of Mr. Brown, the proper indorsement is "John (or some other name) Brown," and if it is made payable to the order of Mrs. Brown, the proper indorsement is "Mary (or some other name) Brown." Again, if a cheque is

drawn payable to the order of a married woman in her maiden name, the indorsement required is something like the following: "Mary Smith, *nee* Jones." It will be noticed that special provision is made as to the insertion of an incorrect name by paragraph (4) above. The main object is to get the indorsement first of all in such a form as to correspond with the order for payment, and then, if necessary, to take care that the indorsee add his own name for better identity.

An indorsement may be made in blank or special, and it may also contain terms which make it restrictive, qualified, or conditional.

A blank indorsement is one which specifies no indorsee, and a bill which is indorsed in blank becomes payable to bearer. Thus, a bill or a cheque is made payable to the order of A B. A B. simply indorses it (as he must do in order to deal with it) and transfers it to C D. There is no need for C D. to indorse the bill at all, and the bill can go through the hands of any number of persons without any fresh indorsement being made. But C D. the holder, can always convert the blank indorsement into a special indorsement, and so make his own signature or that of some other person essential. In the example just given it is supposed that the indorsement is in some such name as "John Jones." This is an indorsement in blank. But there is nothing to prevent the holder of the bill inserting some such words as "Pay William Smith or order" above the signature of John Jones. The blank indorsement is then converted into a special indorsement, and no further negotiation of the bill is possible until the signature of William Smith is placed on the back of it.

A special indorsement specifies the person to whom or to whose order a bill is to be payable. A bill which is specially indorsed cannot be negotiated unless it bears that person's indorsement. Without converting a blank indorsement into a special indorsement, as shown in the last paragraph, the holder of a bill may at any time specially indorse it after a blank indorsement, and then the special indorsement will control the effect of the blank one. Thus, a bill comes into the hands of a holder in due course, and the last indorsement when he takes it is one in blank, "John Jones." The bill is payable to bearer. But if the holder adds, after the name of John Jones, "Pay Alfred Robinson or order," and signs his own name underneath, the bill is now specially indorsed, and cannot be transferred until it bears the signature of Alfred Robinson, who may in turn indorse it either specially or in blank.

A restrictive indorsement is one which prohibits the further negotiation of the bill or which expresses that it is a mere authority to deal with the bill as thereby directed, and not as a transfer of the ownership thereof, e.g., "Pay D. only," or "Pay D. for the account of X," or "Pay D. or order for collection." Such an indorsement gives the indorsee a right to receive payment of the bill and to sue any party thereto, provided the indorser could have sued him, but no power to transfer his rights as indorsee unless expressly authorised to do so. If the restrictive indorsement authorises a further transfer, all subsequent indorsees take the bill with the same rights and subject to the same liabilities as the first indorsee under the restrictive indorsement.

A "qualified indorsement" expressly negatives or limits the personal liability of the indorser

A common indorsement of this kind is one to which the words "*sans recours*" (*q.v.*), are added.

A conditional indorsement is one which purports to transfer the bill subject to some condition. This condition may always be disregarded by the payer, and payment to the indorsee is valid, whether the condition has been fulfilled or not. This does not, however, affect the position of the indorser and the indorsee in respect of the condition itself. (See **CONDITIONAL INDORSEMENT**)

When a bill which is made payable to order is transferred by the holder without indorsement, the transferee only takes such rights in the instrument as were possessed by the transferor. In order to complete the instrument, the court may compel a transferor to indorse a bill which is made payable to his order if he improperly refuses to do so.

Any signature which appears upon a negotiable instrument must be made by the person named or by some agent duly authorised to make it for him. A forged or an unauthorised signature or indorsement is altogether inoperative, and no holder of a bill can acquire any right through the same. Also payment of a bill under a forged

indorsement is of no effect as far as discharging the bill is concerned. A banker is liable for paying a bill under a forged indorsement, unless the bill is one drawn on a banker payable on demand, *i.e.*, a cheque, or the payee is a fictitious or non-existent person (*q.v.*), or the person against whom it is sought to enforce payment is precluded from setting up the forgery. An unauthorised indorsement is not on the same footing as a forgery, for an unauthorised indorsement may be ratified. (See **FORGED AND UNAUTHORISED SIGNATURE.**)

If any indorsement on a bill is made by a party who has not the capacity to contract, *e.g.*, an infant or a corporation, the instrument is not thereby invalidated. Of course the infant or the corporation cannot be made liable, but this in no wise affects the liability of all other signatories.

Indorsements on a bill of exchange may at any time be struck out by the holder of the bill. If this striking out is done intentionally, the indorser is freed from liability upon the bill, and this exoneration extends to all indorsers whose indorsements have been made subsequent to those of the indorser who is struck out.

Examples. The following examples are illustrative of what are and what are not correct indorsements—

Payee.	Correct or Usually Accepted.	Wrong or Not Usually Accepted.
John Brown	John Brown. J. Brown. per pro. John Brown, J. Jones p.p. John Brown, J. Jones. per pro. Mr. John Brown, J. Jones pro (or for) John Brown, J. Jones, Agent. J. Jones, Agent for John Brown. J. Jones, per pro. John Brown. per pro. John Brown, J. Jones & Coy. John Brown by J. Jones, his Attorney.	J. Brown, p.p. J. Jones. John Brown, per J. Jones. (Proof of authority required.) John Brown, pro J. Jones. John Brown by J. Jones. For John Brown, J. Jones. (Proof of authority required.) For J. Brown & Co., J. Brown. J. Brown for Self and Co-Executors of W. Brown. J. Jones, Solicitor to J. Brown. John Brown, J. J. John Brown. John J. Brown. pro John Brown, J. Jones. (Proof of authority required.) Mary Brown, widow of late John Brown. J. J. Brown.
J. Brown	J. Jones, W. Brown, Executors of the late John Brown. J. Brown. John Brown. James Brown.	Dr. J. Brown.
Dr. John Brown	John Brown, M.D. John Brown	Capt. J. Brown.
Captain John Brown	J. Brown, Captain. J. Brown.	Mr. John Brown
Mr. John Brown	John Brown. J. Brown.	Mr. Brown.
Mr. Brown	J. Brown, Junior. per pro. Mr. Brown, J. Jones.	Mary Brown.
Mrs. John Brown	Mary Brown, wife of John Brown. Mary Brown, widow of John Brown. Mary Brown (Mrs. John Brown). Mary Brown. M. Brown.	John Brown. Mrs. John Brown. Mrs. Brown. Mrs. Mary Brown.
Mrs. Brown	(Mrs.) Mary Brown.	
John Brown, Senr. . . .	John Brown, Senr. John Brown.	John Brown.
John Brown, Junr. . . .	John Brown, Junior.	John Brown, Esq.
John Brown, Esq. . . .	John Brown.	Rev. John Brown.
Rev. John Brown	John Brown, Vicar of All Saints', Oldtown (Rev.) John Brown	
Mr. & Mrs. Brown	John Brown Mary Brown.	J. & M. Brown.
George Brown (a minor)	George Brown	John Brown, father of George Brown.
Misses Brown	Jane Brown. Mary Brown.	J. & M. Brown. For Self and Jane Brown, Mary Brown. (Confirmation required.)

Payee.	Correct or Usually Accepted.	Wrong or Not Usually Accepted.
John Brown & another John Brown (now deceased)	For Self & another, J. Brown For Self & Co-Executors of late John Brown, J. Jones For the Executors of J. Brown, deceased, J. J. Jones, an Executor. John Jones, Executor of the late John Brown J. Jones } Administrators of the late R. Smith } John Brown J. Jones, Executor of the late Mary Brown, wife of John Brown (or widow of the late John Brown)	J. Brown John Brown J. Jones Mary Brown, widow of John Brown. Jones & Co., Solicitors to the Estate of John Brown, dead
Mrs. John Brown (now deceased)	John X Brown Witness, J. Jones, 14, King St., Leeds. Indorsement by Bank not necessary	John Brown John Brown J. Jones. John Brown X
John Brown (Indorsed "Credit my Account, John Brown")	Do	
John Brown (Indorsed "Credit to J. Jones, John Brown")	J. J. S. Brown	J. J. Brown
John Joseph Simpson Brown	Brown Brothers.	J. Brown & Bros. J. Brown & T. Brown J. A. T. Brown Brown, Jones & Smith For Self, Jones & Smith, W. Brown. Brown & Jones
Brown Brothers . . .	W. Brown J. Jones R. Smith	For William Brown & Self, Thomas Brown.
W. Brown, J. Jones, R Smith	W. Brown J. Jones J. Jones W. Brown W. Brown per pro J. Jones, W. Brown	Brown Brown & Coy Messrs. Brown
W. Brown & J. Jones	William Brown Thomas Brown	J. A. T. Brown, per J. Jones. J. & T. Brown, J. Jones.
William & Thomas Brown	J. & T. Brown. Brown & Son J. Brown & Son per pro Messrs. Brown, J. Jones Brown Bros. Brown & Brown Browns.	
Messrs. Brown . . .	J. & T. Brown per pro Messrs. J. & T. Brown J. Jones John & Thomas Brown John Brown Thomas Brown For Self & Co-Executors of W. Brown, sole partner in J. & T. Brown, J. Jones	
Messrs. J. & T. Brown .	W. Brown, W. Brown W. & W. Brown W. Brown.	Messrs. W. Brown W. Brown & Son. (Confirmation required) J. & W. Brown. Brown & Coy For Brown & Co., J. Jones Brown & Co., J. J. Brown, Smith & Jones Tas. Brown & Co. per pro Brown & Co., pro J. Jones, R. Smith.
Messrs. W. Brown. . .	Browns. Brown & Coy per pro Brown & Co., J. Jones, Manager per pro Brown & Co., J. Jones Brown & Co., by J. Jones, Agent	
Messrs. Browns . . .	T. Brown & Coy Thomas Brown & Coy Brown & Co. per pro J. Jones Brown & Co., J. Jones	Messrs. Brown & Co. Brown & Jones, Ltd. John Brown per pro The British Coy., Ltd., J. Brown, pro Manager. J. Brown, Secy., British Coy., Ltd.
Brown & Co.	Brown & Co. John Brown, Partner. J. Brown & Sons Brown & Jones per pro Brown & Jones, Ltd. J. Smith, Secretary. per pro The British Coy., Ltd. J. Brown, Secretary Indorsed by order of The British Com- pany, Ltd., and placed to the credit of their account per pro the X & Y Bank, Ltd., J. Brown, Manager	
Thomas Brown & Coy T. Brown & Coy . . .		
Messrs. Brown & Co. . .		
Messrs. Brown & Jones .		
Brown & Jones, Ltd. . .		
The British Coy., Ltd., per John Brown		
The British Coy., Ltd. . .		

Payee.	Correct or Usually Accepted.	Wrong or Not Usually Accepted.
The British Coy., Ltd.	per pro. The British Coy., Ltd., J. Brown, Secretary. per pro. The British Coy., Ltd., J. Brown. pro. or For, The British Coy., Ltd., J. Brown, Manager.	per pro. The British Company, J. Brown, Secy. The British Coy., Ltd. per pro. J. Brown, Secy. (This form is not accepted by bankers.)
The British Coy., Ltd.	For The British Coy., Ltd., J. Brown, Director. The British Coy., Ltd., J. Brown, Secretary. (Strictly the indorsement should show that the Secretary signs For, or On behalf of the Company.) The British Coy., Ltd., per J. Brown, Secy. Received in payment of call & passed to credit of payees. per pro. The X & Y Bank, Ltd., J. Brown, Manager. For the British Coy., Ltd., In Liquidation. J. Brown } Liquidators. J. Jones }	per pro. The British Coy., Ltd., per pro. John Brown, Secy. J. Jones. For the British Co., Ltd., J. Brown, Representative. The British Coy., Ltd. (But see Section 77, Companies (Consolidation) Act 1908, under COMPANIES.)
The British Baking Coy.	For the British Baking Coy., Ltd., J. Brown, Secretary. per pro. The British Baking Coy., J. Brown, Secretary. per pro. The British Baking Coy., Brown & Jones. For the British Baking Coy., J. Brown, Agent. per pro. The British & Universal Baking Coy. (Formerly The British Baking Co.), J. Brown, Secy. p.p. The British Baking Coy., J. Brown, Proprietor. The British Baking Coy., J. Brown, cashier authorised to sign. The British Baking Coy., J. Brown, Manager. (It is better that Brown should sign per pro. For, or On behalf of.) For The British Shipping Coy., J. Brown & Co., Agents. John Brown, Secretary, British Coy., Ltd. For the British Banking Co., Ltd., J. Brown, Manager. per pro. The British Banking Co., Ltd., J. Jones, Pro Manager. (Not strictly correct but very common in banks.) John Brown, Executor. John Brown, Treasurer, Redby Cricket Club. John Brown, Treasurer, Redby Rural District Council. J. Jones, Official Receiver of J. Brown & Co. J. Brown, Collector of Customs and Excise. per pro. Earl of Redby, J. Brown. John Jones, Mayor of Oldtown. per pro. The Mayor of Oldtown, John Brown. per pro. The Oldtown Corporation, John Brown, Treasurer.	For The British Coy., Ltd., in Liquidation. For J. Brown, Liquidator, J. Jones. The British Baking Coy., p.p. J. Brown, Secy. John Brown, Manager, British Baking Coy. per pro. The Baking Coy., J. Brown, Secy. The British Baking Coy. per pro. The British Baking Co., Ltd., J. Brown, Secy. The British Shipping Coy., per pro. J. Brown & Co., Agents, J. Jones per pro. J. Brown, Secy., British Co., Ltd., J. Jones. John Brown. John Brown. John Brown. John Brown, Treasurer. per pro. J. Jones, Official Receiver of J. Brown & Co. R. Smith. per pro. J. Brown, Collector of Customs and Excise, J. Jones. J. Brown, agent to the Earl of Redby, Mayor of Oldtown. per pro. The Oldtown Corporation, J. Jones, Rate Collector.

Payee.	Correct or Usually Accepted.	Wrong or Not Usually Accepted.
Managers of Redby School	J. Brown } Managers of Redby School J. Jones } For the Managers of Redby School, J. Brown, Chairman	J. Jones, Manager. J. Brown. J. Jones.
Brown Frères	Brown Bros Brown Frères	
Overseers of Redby, per J. Brown, Collector	For Overseers of Redby, John Brown, Collector.	John Brown.
Overseers of Redby	For the Overseers of Redby, J. Brown, Asst. Overseer.	
Owners of Redby Estate per W. Brown.	J. Jones } Overseers of Redby. R. Smith } For Owners of Redby Estate, W. Brown.	J. Jones. R. Smith W. Brown
Self or order (drawn by J. Brown)	J. Brown. per pro. J. Brown, J. Jones (But evidence of authority required) No indorsement required	
Self or bearer		
Administrators of Wm. Brown (the same re- marks apply as in the case of executors)		
Executors of Wm. Brown.	J. Jones for self & co-Exor. of Wm. Brown. For Exors. of Wm. Brown, J. Jones, Exor.	per pro. Exors. of Wm. Brown. R. Smith, Solicitor to the Estate. per pro. Exors. of Wm. Brown, R. Smith For J. Jones, Executor of Wm. Brown, R. Robinson. J. Jones for self & Co-executors J. Jones, Exor. of Wm. Brown. J. Jones, Executors of late W. Brown.
Executors of the late Wm. Brown	J. Jones } Exors. of the late Wm. J. Brown } Brown.	
Trustees of Wm. Brown . .	J. Brown } Trustees of Wm. Brown. J. Jones } Trustees of Wm. Brown, J. Brown J. Jones.	per pro. Trustees of Wm. Brown, J. Brown. For Self & Co-Trustee of Wm. Brown, J. Brown. o/a Wm. Brown's Trust, J. Jones. John Brown, J. Jones.
John Brown & J. Jones, Trustees of R. Smith	John Brown, J. Jones, Trustees of R. Smith.	
Liquidators of the X & Y Coy., Ltd.	The X & Y Co., Ltd., in Liquidation, J. Brown } Liquidators. J. Jones }	The X & Y Coy., Ltd., For Self & Co-Liquidator, J. Brown. J. Brown (See LIQUIDATOR.) J. Jones.
IRREGULAR PAYEES.		
..... or	Requires drawer's indorsement.	
..... or Order	Do	
W. Brown or	Requires W. Brown's indorsement	
Cash or Order	Requires drawer's indorsement	
Wages or Order	Do	
Estate % or Order	Do	
Wages or Bearer	No indorsement required	
King Charles the First of Order	Do.	
Dick Swiveller or Order (a fictitious person)	Do.	
s.s. Britannia or Order . .	Requires indorsement by an authorised officer	
Poor Rate or order.	J. Brown, collector of Poor Rate	
Corporation's Order	Requires Treasurer's indorsement.	
Bearer or Order	Usually treated as payable to bearer	
Income Tax or Order. . . .	Requires indorsement of Collector of Inland Revenue.	
My son the bearer	Requires son's indorsement.	
My son, the bearer or Order.	Do	
W. B.	W. B., W. Brown.	
% of John Brown	Placed to credit of Payee's account per pro. British Bank Co., Ltd., J. Jones, Manager.	
Brown & Jones (names transposed)	per pro. Brown & Jones & T. Smith, Manr.	
Ann Brown (spelled wrongly)	per pro. Jones & Brown, T. Smith, Manr. Ann Brown, Ann Browne.	• Anne Browne

Payee.	Correct or Usually Accepted.	Wrong or Not Usually Accepted.
Robert MacIntyre (spelled wrongly)	Robert MacIntyre, Robt. McIntyre.	Robert McIntyre.
W. Brown or order J. J. (alteration initialled by drawer)	Usually treated as being payable to bearer, but, if not presented by W. Brown, it would be safer to return the cheque for completion of the alteration. Requires payee's indorsement. J. Brown. For Self & another, J. Brown. For Self and Co-Executors of the late John Brown, J. Jones. For John Brown, J. Jones.	Brown. John Brown. J. Brown (confirmation should be obtained). per pro. J. Brown, R. Smith.
W. Brown or Bearer—Brown John Brown & Another Representatives of John Brown John Brown per J. Jones.	John Brown for John Jones M. Jones <i>note</i> Brown. { per pro. Brown & Co., per pro. J. R. Brown & Co., Ltd., J. Jones, Secy. { per pro. Brown & Co., J. Jones, Secretary. { per pro. J. R. Brown & Co., Ltd., J. Jones, Secretary J. Jones, Secretary.	
The Secretary (drawn by a Company) DIVIDEND WARRANT. John Brown, John Jones and R. Smith John Brown & Another John Brown John Brown, or Bearer John Brown per British Banking Co., Ltd.	John Brown (or John Jones or R. Smith may sign alone). John Brown. John Brown. John Brown should sign. per pro. British Banking Co., Ltd., J. Jones, Manager.	Jas. Smith (the other referred to). per pro. John Brown, J. Jones.

INDORSEMENT CONFIRMED.—In the case of many banking transactions, irregularities are bound to occur in spite of the utmost care. Sometimes, for example, a cheque is paid in for collection to a banker, and the banker knows that it is all right in spite of an irregular indorsement. To avoid delay, the collecting banker frequently writes the words "indorsement confirmed," adding his own bank's name; and if it is, for example, a joint-stock bank, the words are followed by the name of the bank and the signature of the manager, per procuration.

In practice, it is considered advisable to use the words "indorsement confirmed" rather than "indorsement guaranteed," as in the latter case it might be held that a 6d. stamp was necessary as for any other guarantee.

INDORSEMENT GUARANTEED.—(See INDORSE-
MENT CONFIRMED.)

INDORSEMENT OF BANK NOTE.—It happens very frequently that where a bank note is tendered in payment, the payee asks the person paying to indorse the note. There is no law compelling such an indorsement, but the payee can always refuse to give change out of the note if the indorsement is refused. By indorsing, the indorser is liable upon the document if the bank fails to meet the note.

It is the custom of the Bank of England to request an indorsement whenever a note is presented for payment. As all Bank of England notes are payable in gold, on demand, at the head office, the office has no right to insist upon the indorsement.

INDORSEMENT OF DEPOSIT RECEIPT.—A deposit receipt is not a negotiable instrument, and the indorsement upon it is really a discharge to the banker upon repayment of the money. If the receipt is for £2 or over, the signature on the back must be made across a 2d. adhesive stamp, unless

the printed form of receipt is already impressed with a 2d stamp. (See DEPOSIT RECEIPT)

INDORSER.—An indorser may be said to be a person who writes his name upon the back of any document. Thus, the payee of a bill of exchange or a cheque writes his name upon the back thereof and becomes an indorser. And similarly as the bill or cheque is negotiated each person who signs his name upon the back is an indorser and becomes liable upon the same, if value has been given at any time for it, *i.e.*, unless the bill is an accommodation bill (*q.v.*) But in order to complete his contract on the bill an indorser must not only sign his name upon the instrument, he must deliver it. Any indorser may add after his signature such words as "without recourse to me" or "*sans recours*" (*q.v.*) and the Act provides that an indorser may insert an express stipulation (1) negating or limiting his own liability to the holder, or (2) "holding as regards himself some or all of the holder's duties. His liability, as stated below, is subject to what has just been set out. It is to be noticed that an indorsement, so called, may be written on the face of the bill. It is stupid, however, to try and experiment with negotiable instruments.

The indorser of a bill of exchange is bound by certain estoppels (*q.v.*), in the same way as the drawer and acceptor, and a slight consideration of the usual methods adopted in the negotiation of bills of exchange will make it obvious why these estoppels must exist. By section 55, sub-section 2, of the Bills of Exchange Act, 1882—

"The indorser of a bill by indorsing it—

" (a) Engages that on due presentment it shall be accepted and paid according to its tenor, and that if it be dishonoured he will

compensate the holder or a subsequent indorser who is compelled to pay it, provided that the requisite proceedings on dishonour be duly taken.

"(b) Is precluded from denying to a holder in due course the genuineness and regularity in all respects of the drawer's signature, and all previous indorsements.

"(c) Is precluded from denying to his immediate or a subsequent indorsee that the bill was at the time of his indorsement a valid and subsisting bill, and that he had then a good title thereto."

Other sections of the Act which specially affect the indorser are as follows—

Section 56 provides—

"Where a person signs a bill otherwise than as drawer or acceptor, he thereby incurs the liabilities of an indorser to a holder in due course."

Where a person is under obligation to indorse a bill in a representative capacity as trustee or executor, he may indorse the bill in such terms as to negative personal liability. (Sec. 31, ss. 5.)

Where an indorser is dead and the party giving notice knows it, notice of dishonour must be given to his personal representative if such there be, and with the exercise of reasonable diligence he can be found. (Sec. 49, ss. 9.)

Where an indorser is bankrupt, notice may be given either to the party himself or to the trustee. (Sec. 49, ss. 10.) (See BILL OF EXCHANGE, DISHONOUR OF BILL OF EXCHANGE, INDORSEMENT, NEGOTIATION OF BILL OF EXCHANGE.)

INDUSTRIAL COMMITTEES. (See WORKS COMMITTEE.)

INDUSTRIAL COUNCIL. (See CONCILIATION BOARD.)

INDUSTRIAL COURTS. The Industrial Courts Act, 1919, provides for the setting up by the Minister of Labour of a tribunal consisting of independent persons, representative employers and representative workmen (of whom one or more are women), for the settlement of trades disputes. The members constitute a panel and the court is constituted from these persons as the president, appointed from amongst the independent members by the Minister of Labour, directs.

Any trade dispute may be reported, by or on behalf of one of the parties to the dispute, to the Minister of Labour, who will consider the matter and may refer it to the Industrial Court or to arbitration. The Minister may apply to the court for advice on trades disputes, but he will only refer the matter, where there is no machinery in the trade for dealing with such dispute, with the consent of both parties. The Arbitration Act, 1889, does not apply, and the expenses of the court are met by money provided by Parliament. Under Part 2 of the Act a court of inquiry consisting of one or more persons appointed by the Minister may be sent to inquire into trades disputes and to report to the Minister, who will lay the report or final report before both Houses of Parliament.

Rules are made for the conduct of hearings, and counsel and solicitors may not be heard other than as provided in the rules. The Act applies to servants of the Crown other than the armed forces.

INDUSTRIAL LIFE POLICY.—This is a policy which is usually granted upon the express condition that it shall become absolutely void, if it is in any

way assigned, sold, mortgaged, or parted with in any other way. (See LIFE INSURANCE.)

INDUSTRIAL PROPERTY CONVENTIONS.—

The United Kingdom is a party to three industrial property conventions, the first being signed at Paris in 1883, the second at Madrid in 1891, and the third at Brussels in 1900.

The second of these was made only between Great Britain, Spain, France, Switzerland, and Tunis, but the first and third are now adhered to by the United Kingdom, Belgium, Brazil, Denmark, Santo Domingo, Spain, the United States, France, Italy, Japan, Holland, Portugal, Serbia, Sweden, Norway, Switzerland, Tunis, the Dutch East Indies, Mexico, Curacao and Surinam, Germany, Cuba, and Austria-Hungary. These contracting States have constituted themselves into a union for the protection of industrial property. The subjects of each of the contracting States enjoy, in all the other States of the union, as regards patents, industrial designs or models, trade marks and trade names, the advantages that their respective laws now grant or shall hereafter grant to their own subjects or citizens, and have the same protection as the latter, and the same remedy for infringement, provided they observe the formalities and conditions imposed on subjects or citizens by the internal legislation of each State.

The subjects or citizens of States which are not parties to the union are on the same footing as the subjects or citizens of the contracting States, provided that they are domiciled in, or have industrial or commercial establishments, real and effective, in the territory of one of the States of the union. The convention establishes periods of time within which a person who has applied for a patent, industrial design or model, or trade mark, in one of the contracting States, is to enjoy a right of priority in order that his request may be lodged in the other States.

The periods of priority are twelve months for patents with respect to invention, and four months for patents for industrial designs or models, as well as for trade or merchandise marks. It must be observed that the benefit of the convention is not automatic, but must be claimed. Thus, a patentee in one of the countries in the union is not protected in any other of the countries in it, unless he makes application for protection within the necessary time.

Subsequent registration in one of the States of the union, before the expiration of the periods of time above mentioned, is not to be invalidated by any acts accomplished in the interval, e.g., another registration, publication of the invention, working, sale of patterns, or a design or model, or use of a trade mark. Patents applied for in the various contracting States by persons taking the benefit of the convention are independent of the patents obtained for the same invention in other States, whether such States are or are not parties to the union, and this provision applies to patents existing at the time of its accession, or, in the case of the subsequent accession of States, to patents in existence on either one side or the other at the time of accession. The introduction by a patentee to the country where the patent was granted of objects manufactured in any of the States of the union is not a criminal forfeiture, thus being subject to any law of the country compelling a patentee to work his invention therein.

Every trade mark duly registered in the country of origin (i.e., the country where the applicant has his chief business) is to be admitted for registration

in any other country where the applicant has his chief business, provided that the mark is not already registered in that country.

and protected in the form originally registered in the other countries of the union, but registration may be refused if the object for which it is solicited is considered contrary to morality or public order. The nature of the goods on which a trade mark is to be used is in no case to be an obstacle to its registration; and a trade name is to be protected in all countries of the union without necessity of registration, whether or not it form part of a trade mark. All goods illegally bearing a trade mark or trade name (e.g., name of a false locality of origin) may be seized on importation into those States where the mark or name has legal protection; or, if seizure is not permitted by the legislation of the country, it may be replaced by an injunction against importation.

The contracting States are to afford temporary protection to inventions susceptible of being patented, and to industrial designs or models, as well as to trade merchandise marks, in respect of products exhibited at officially recognised international exhibitions in the territory of one of them. Each State is to maintain a Government department and central office to deal with industrial property, an international office being maintained under the superintendence of Switzerland. Finally, the convention provides for periodical revision, for the right of the contracting States to make special arrangements, and for the adhesion of other countries, who, on adhesion, are forthwith to share in its benefits. It must be understood that this convention binds the English courts only so far as its provisions are embodied in statute law. They are, in great part, adopted by Section 91 of the Patents and Designs Act, 1907, the provisions of which may from time to time be applied by Order in Council to foreign countries and British possessions. The Act, however, does not completely carry out the convention, since it does not enable trade marks registrable in other countries to be registered here unless they fall within the classes laid down for English trade marks.

The agreements with Germany were suspended during the war with that country and facilities were afforded to British subjects in respect of German rights which would otherwise have been protected by conventions. This was a matter of public policy and a measure of the temporary protection of our national well-being only.

INEBRIATES ACTS.—The first of these Acts was passed in 1879 with the object of facilitating the control and cure of habitual drunkards. It was regarded as an experiment to remain in force only ten years, and dealt chiefly with the provision of licensed "retreats" to which non-criminal habitual drunkards might be admitted. By the Inebriates Act of 1888, some modifications were introduced into the Habitual Drunkards' Act of 1879, and the period of its application was prolonged indefinitely. In 1892 a Parliamentary Committee was appointed to enquire into the best mode of dealing with habitual drunkards, and as a result the Inebriates' Act of 1898 was passed, which introduced special provisions for dealing with criminal habitual drunkards, and a short supplementary Act was passed in 1899. These four Acts together are called the Inebriates Acts, 1879 to 1899; and, under them power is given to the local authority (in general it is the county council, but in a borough it is the borough council) to grant to any one or more persons a licence for a period not exceeding two years, to keep a "retreat," and such licence can be renewed or revoked from

time to time. One at least of these licensees must reside in the retreat and be responsible for its management. A duly qualified medical man must be employed, but the licensee, if on the Medical Register, may himself act as the medical attendant. The word "retreat" means a house, licensed by the licensing authority named in the Acts, for the reception, control, care, and curative treatment of habitual drunkards.

An habitual drunkard is a person who, not being amenable to any jurisdiction in lunacy, is, by reason of habitual intemperate drinking of intoxicating liquor, at times dangerous to himself or herself or to others, or incapable of managing himself or herself and his or her affairs. Habitual drunkards may be admitted to retreats on their own application; such application must be made to the licensee of a retreat in a specified form, and must be accompanied by a statutory declaration of two persons that the applicant is an habitual drunkard, and the signature of the applicant must be attested by a justice of the peace who must satisfy himself that the applicant is an habitual drunkard, and understands the effect of his application for admission to a retreat. An applicant, after his admission and reception, is not entitled to leave the retreat before the expiration of the term mentioned in his application, unless discharged or authorised by licence as provided by the Act, and he may be detained against his will until the expiration of the said term provided it does not exceed two years. Permission may be given by a justice of the peace at the request of the licensee of a retreat, for the habitual drunkard to live with any respectable and trustworthy person for a definite period for the benefit of his health, such period not to exceed two months in the first instance, but such period before its expiry may be renewed for a further two months and so on, from time to time, until his period of detention has expired. Leave of absence from a retreat may be forfeited or revoked. The period of authorised absence is counted, and the period of unauthorised absence is not counted, in reckoning the time during which the habitual drunkard may be detained.

A person who is, or at any time has been, detained as an habitual drunkard, may have his term of detention extended or may be re-admitted without the statutory declaration required for a first admission, and without the necessity on the part of the attesting justice to satisfy himself that the applicant is an habitual drunkard.

With regard to the treatment of criminal habitual drunkards, the Act of 1898 provides that when a person is convicted on indictment of an offence punishable with imprisonment or penal servitude, if the court is satisfied from the evidence that the offence was committed under the influence of drink, or that drunkenness was a contributing cause of the offence, and the offender admits that he is, or is found by the jury to be, an habitual drunkard, the court may, in addition to or in substitution for any other sentence, order that he may be detained for a term not exceeding three years in any State reformatory, or in any certified inebriate reformatory, the managers of which are willing to receive him. And where a person commits any of the offences mentioned in the first schedule of the Act of 1898 (e.g., being found drunk in a highway or other public place, whether a building or not, or on licensed premises; being guilty, while drunk, of riotous or disorderly behaviour in a highway or

public place; being drunk while in charge of a carriage, horse, or cattle, or when in possession of loaded firearms; being guilty, while drunk, of riotous or indolent behaviour; being drunk while driving a hackney carriage; being drunk and incapable, and not under proper care, in any street or public place; and similar offences in all of which drunkenness is an ingredient), and has within the previous twelve months been convicted summarily at least three times of any of the said offences, or is an habitual drunkard, he is liable, upon conviction on indictment, or if he consents to be dealt with summarily, on summary conviction, to be detained for a term not exceeding three years in any certified inebriate reformatory, the managers of which are willing to receive him. By the Licensing Act of 1902, a person convicted of any offences set out in the first schedule of the Inebriates' Act, 1898, may, in addition to or substitution for any other penalty, be ordered to enter into recognisances to be of good behaviour. Where a husband is an habitual drunkard, his wife can obtain a separation order on this ground under the Summary Jurisdiction (Married Women) Act, 1895, and where the wife is an habitual drunkard the husband can obtain the like relief. A person held to be an inebriate within the Act of 1898 may be deprived by the court of any old age pension to which he may be entitled for a period of not more than ten years.

INFANT.—The position of an infant as to his capacity to contract has been already noticed in the article CONTRACT. But there are certain special points connected with infancy which require particular notice, and these are drawn together under the present heading.

The law of most countries places persons who are under a certain age, which varies in different states, under certain disabilities as to their legal capacity. By English law the age of majority is fixed at twenty-one. Since the law takes no account of a portion of a day, an infant legally completes his twenty-first year at the commencement of the day preceding his twenty-first birthday. It is quite possible, therefore, in an extreme case, for a person to do an act as an adult when he is nearly two days off completing his twenty-first year.

For many purposes an infant *en ventre sa mère*, as it is called, *i.e.*, a child conceived but not born, is considered in law to be in the same position as a child that is born. Thus, an unborn child may take an estate by descent, have a legacy bequeathed to it, or have a guardian appointed to it, all of which things come into operation when the birth has taken place.

Whilst under the age of seven years, an infant cannot be held criminally responsible for any act done by him. This is a presumption of law that cannot be rebutted. Between the ages of seven and fourteen an infant cannot be convicted of certain offences, and as to others there may arise a presumption of innocence, but *malitia supplet aetatem*, *i.e.*, a clear indication of a malicious intent, may remove this qualified exemption from criminal procedure. After fourteen, an infant is no more exempt from criminal liability than an adult.

Infancy is no defence to an action founded in tort. A father is bound to support his infant children, if he is able to do so, and the same rule applies to the mother, if she is of sufficient ability. There is no legal obligation, however, on either to pay a debt

incurred by the infant, unless responsibility has been assumed or authority given, even though the debt has been incurred for what is known as necessities. In certain cases, if an infant is charged with a criminal offence, a parent may be fined if it is proved that sufficient control has not been exercised over the infant. As this matter has reference to criminal law, it is not pursued further here.

The father, if living, has the primary right to the custody of his infant children, and to have them educated in his own religious belief. But since the welfare of the children is always the paramount consideration, the court may in certain cases, where it is satisfied that the conduct of the father is such as to show that he is an unfit person to have the control of his children, refuse to allow him either of these rights. On the death of the father, the mother is the legal guardian, and she is entitled to the custody of her infant children. She can act either alone, or in conjunction with any guardian or guardians appointed by her husband. If the father and the mother are divorced, or judicially separated, it is the ordinary practice to give the custody of the infant children to the innocent party, subject to such conditions of access as seem just and expedient to the court.

The court assumes a very wide jurisdiction in the case of infants who are entitled to property on coming of age. It will empower the trustees of any settlement, where no proper provision has been made for the education, maintenance, and advancement, *i.e.*, providing for the after career, of the infants, to do such things as may appear to be for their benefit. Extensive powers have been conferred by the Conveyancing Act, 1881, so far as the income of settled estates or funds are concerned, but these powers may be extended to the settled estates or funds themselves if it is shown to be for the benefit of the infants that this should be done.

The legal position of an infant as to contracts, as already stated, has been dealt with under the article CONTRACT. And it has been pointed out that an infant may be always liable from torts. In other matters an infant's position is as follows:—

(1) **Action.** An infant plaintiff must sue by a person who is known as his "next friend," and where an infant is defendant in an action a guardian *ad litem* is appointed. A guardian *ad litem* is not responsible for costs properly incurred in a suit, but a "next friend" cannot escape in the same manner. The only exception to this rule is—where an infant sues in a county court on a claim not exceeding £100, for wages due to him, he does not then require a "next friend." (See NEXT FRIEND.)

(2) **Administration.** An infant cannot act as administrator, since he is unable to be bound by the bond which an administrator must give to administer faithfully the estate. If, therefore, the right of administration devolves upon him, the court will appoint an administrator *durante minore aetate*, *i.e.*, a person to act during the infant's minority.

(3) **Agency.** Since an agent does not exercise his own powers, but only those delegated to him by his principal, an infant may always be appointed as agent. But he cannot act as proxy for a creditor in bankruptcy proceedings, nor for a contributory in winding-up procedure.

(4) **Bankruptcy.** It is doubtful whether an infant can ever be made bankrupt, even for a

judgment debt founded on a tort. If he is a member of a partnership firm, the whole of the proceedings in bankruptcy are taken without including him. (See **BANKRUPTCY**.)

(5) **Bills of Exchange.** An infant cannot incur any liability upon a bill of exchange in any capacity, even though the consideration is the price of necessities supplied to him.

(6) **Companies.** An infant may sign the memorandum of association and hold shares in a joint-stock company. He cannot, however, be sued for calls until he has attained his majority. He can avoid his liability by repudiating the shares either before he comes of age, or within a reasonable time afterwards, if he has taken no advantage as a shareholder after attaining his majority.

(7) **Executorship.** An infant who is appointed executor cannot act so long as he is a minor. If there are other executors, they can act without him, so long as he is under incapacity; but if he is sole executor an administrator with the will annexed must be appointed to act during the minority, and the infant must prove the will as soon as he comes of age.

(8) **Limitation of Actions.** The periods of six, twelve, or twenty years do not begin to run against an infant until he has attained his majority.

(9) **Partnership.** An infant may be a partner, but his liability in case of bankruptcy is limited. All proceedings are taken without including him. But the whole of the partnership assets are available for the creditors, including the infant's share in the same. The creditors cannot, in case of deficiency, make any claim upon the separate estate of the infant.

(10) **Will.** An infant cannot make a will unless he is actually engaged in military service, or is a mariner at sea.

INFECTIOUS DISEASES.—The Authorities. The Public Health Act, 1875, and the Public Health (London) Act, 1891, as amended by part iv of the Public Health Acts Amendment Act, 1907, impose upon local authorities the duty of watching for infectious disease and of preventing the spread thereof. The local authorities are City and borough councils, and urban and rural district councils.

Common Lodging-houses. The local authorities may make by-laws requiring the keeper of a common lodging-house to give notice of the case of any infectious disease occurring on his premises. The keeper must at once give notice to the local medical officer of health, if one of his inmates is ill of a fever or of an infectious disease; the keeper must also give a like notice to the poor law relieving officer of his parish. If the keeper of a common lodging-house fails to give notice, he shall be liable to a penalty not exceeding £5. Where houses are let in lodgings, the owner of the lodging-house (not common lodging-house) may be required to give notice and take precautions in case of any infectious disease.

Disinfection. If a local authority is of the opinion that the cleansing or disinfecting of a house, or a part of it, or of the articles therein, may tend to prevent or check infectious disease, they must give notice to the occupier or owner, requiring him to cleanse and disinfect accordingly. The penalty for disobedience is a fine not exceeding 10s. for every day on which the order is disobeyed. If the owner or occupier is too poor to cleanse and disinfect, the local authority may undertake the duty and pay

the expenses. The local authority may destroy any bedding, clothing, or other articles which have been exposed to infection, and may give compensation for the same. The local authority may provide the means to disinfect bedding, clothing, or other infected articles, and may perform the duty free of charge.

Removal of Patient. The local authority may also do the following things: Provide and maintain a carriage suitable to convey any infected person to a hospital, and may pay the expenses of the conveyance; remove an infected person, who has not a proper lodging, to the nearest suitable hospital—the person must be suffering from a dangerous infectious disorder; a certificate must be signed by a properly qualified medical man, and the hospital authorities must give their consent to receive the patient. A justice of the peace may also make an order for such removal; whoever wilfully obstructs the officer sent to carry out the order will be liable to a fine of £10. The local authority may also remove to the nearest suitable hospital infected persons from ships or boats, and keep them there as long as may be necessary.

Exposure of Infected Person. Any person who is suffering from a dangerous infectious disorder must not wilfully expose himself in any street, public place, shop, inn, or public convenience, nor carry on his trade if such as will spread disease. If the infected person is in charge of another, that other must not wilfully expose him as above described. No one must give, lend, sell, or transmit any bedding, clothing, rags, or other things which have been exposed to infection, until the same are disinfected. Penalty for disobedience, not exceeding £5. Every owner or driver of a public conveyance must at once disinfect his conveyance when it has come to his knowledge that he has conveyed an infected person, and an infected person is liable for knowingly using a public conveyance. No driver or owner should be obliged to convey an infected person, until he has been paid a sum sufficient to cover his expenses. If any person knowingly lets to another a room in which a person has been suffering from a dangerous infectious disorder, and has not disinfected such room and its contents to the satisfaction of a duly qualified medical man, the person who knowingly lets the room will be liable to a fine not exceeding £20. This will apply to the landlord of an inn as well as to other persons.

Infected House. If a person who is showing a house, or part of a house, for the purpose of letting it, in which there has been a dangerous infectious case within six weeks previously, knowingly gives a false answer to a question put to him as to the previous sickness, he will be liable to a fine of £20, or to imprisonment.

Cholera. In the case of an outbreak of cholera, or other serious epidemic, the Local Government Board has power to issue special regulations designed to cope with the outbreak. This rule applies to the land of the United Kingdom, and to the seas, rivers, and waters thereof, and to the high seas within 3 miles of the coasts. Any person disobeying these special regulations is liable to a fine of £50. The rules which the Local Government Board may make include: The speedy interment of the dead, house-to-house visitation, medical aid, cleansing, ventilation, disinfection, and guarding against the spread of the disease. The regulations will be published in the *London Gazette*, and the local authority concerned must carry out such regulations, and do all

such things as may be necessary for mitigating any such disease. The local authority has power to enter any premises, or board any vessel. Poor law medical officers and general medical practitioners are entitled to charge for their services, with extra remuneration on account of distance. Local authorities have power to provide hospitals, or temporary places, for the reception of the sick suffering from any infectious or other disease.

Mortuaries. Local authorities may provide mortuaries for the reception of dead bodies, and they must do so if ordered by the Local Government Board. Where the body of one who has died of any infectious disease is retained in a room in which persons live or sleep, any justice of the peace may, on a certificate given by a duly qualified medical man, order the body to be removed to the mortuary at the cost of the local authority, and to bury the body within a named time. The relieving officer must bury the body at the expense of the poor rate if the relations do not do so; but he may recover the costs from any person legally liable to pay the expenses of the burial. Any person obstructing the execution of this order is liable to a fine of £5.

Canal Boats. An Act to provide for the registration and regulation of canal boats used as dwellings was passed in 1877, and amended in 1884. Power is given to the Local Government Board to make regulations for preventing the spread of infectious diseases by canal boats. If a person is suffering from an infectious disorder on a canal boat, the master must inform the local authority; the local authority will then, on a medical certificate, take steps to prevent the disorder from spreading, remove the patient to a hospital, and detain the boat for the purpose of disinfecting it. A duly authorised official may enter upon a canal boat, if he suspects there is a person on board suffering from an infectious disease, and he may detain the boat. Any person obstructing the officer is liable to a fine of 40s.

Tent and Van Dwellers. The Housing of the Working Classes Act, 1885, gives power to the local authority to enforce the laws of sanitation upon dwellers in tents and vans. This is done by means of by-laws, which are designed to promote cleanliness in, and the habitable condition of, tents, vans, sheds, and similar structures used for human habitation, and for preventing the spread of infectious disease by the persons inhabiting the same. Any duly authorised official has the right of entry to these places for the purpose of enforcing the provisions of the Act.

Notification of Infectious Disease. An Act to provide for the notification of infectious disease by local authorities was passed in 1889; it extends to every London district, and to every urban, rural, and port sanitary authority. Where an inmate of a building used for human habitation is suffering from an infectious disease, the following must be done: Notice must be sent to the medical officer of health for the district by the head of the family, or by the nearest relative, or by the person in charge of the patient, or by the occupier of the building. When the medical man who is called in to attend the patient becomes aware that the patient is suffering from an infectious disease, he must report the facts to the medical officer of health. The fee for disobedience to this rule is 40s. The forms of certificate required are supplied freely to doctors by the local authority, and when the medical man

fills one up, he is entitled to a fee of 2s. 6d., if the case occurs in his private practice, and to 1s. if he is the medical officer of a public body or of an institution. The fee is paid by the local authority.

Any local authority may adopt the Infectious Diseases (Notification) Act, but it must be done by resolution; fourteen clear days' notice must be given to every member, and the resolution adopting the Act must be published in a local newspaper and by handbills.

List of Infectious Diseases. The following is a list of infectious diseases: Smallpox, cholera, diphtheria, membranous croup, erysipelas, scarlatina, scarlet fever, typhus, typhoid, enteric, relapsing fever, puerperal fever, and any infectious disease peculiar to a district. When an infectious disease is not mentioned in the Act, a local authority may include such disease by resolution of the members, after special notice given. The order may be permanent or temporary; if the latter, the time during which it shall continue in force must be specified. The order of the local authority declaring a disease to be infectious shall not be valid until it has been approved by the Local Government Board. When it is so approved, advertisement of the fact must be published in the local newspaper, and by handbills. A copy must also be sent to each registered medical practitioner residing in the district. Where the matter is one of emergency, three clear days' notice will be sufficient, the order must be temporary, and the Local Government Board must approve it.

Where the certificate notifying an infectious disease applies to a patient in the metropolitan asylum district, the medical officer of health shall, within twelve hours, forward a copy to the metropolitan asylum managers of the district. The managers shall pay to the local authority such expenses as they have incurred for notification. Every week the managers shall send to the London County Council a return of all the infectious diseases of which they receive certificates.

Ships and Tents. The provisions of the Act shall apply to every ship, vessel, boat, tent, van, shed, or similar structure used for human habitation, but vessels belonging to foreign governments are not within the Act, nor are buildings, vessels, tents, or sheds belonging to His Majesty the King. The Act applies to England, Wales, Scotland, and Ireland.

Prevention of Infectious Disease. An Act to prevent the spread of infectious disease was passed in 1890. It applies to England, Wales, and Ireland, but not to Scotland. Outside the district of London the Act is adoptive, i.e., the local authority may adopt it by resolution as described in the case of the Infectious Diseases (Notification) Act.

Milk Supply. If a medical officer of health is in possession of evidence that a person is suffering from infectious disease attributable to the milk supply, from either within or without the district, or that the milk supply from any dairy may cause infectious disease, the medical officer must do the following things: Obtain an order from a justice of the peace, giving the medical officer power to inspect the dairy, and, if accompanied by a veterinary inspector, or a properly qualified veterinary surgeon, to inspect the animal, therein. The medical officer and the veterinary officer must make their reports to the local authority; if the reports are unfavourable, the dairyman will be summoned to appear before the local authority, and required not

to supply any milk within the district until permission is granted. The local authority must give notice of the facts to the county council and to the Local Government Board. When the local authority is satisfied that the milk supply has been changed, or that the danger from infection has been removed, they may withdraw their order prohibiting the supply from the dairy in question. Under the Act of 1907 where a milk supply is suspected the dairyman must, on demand, give a list of his suppliers, and if any of his employees are suffering from an infectious disease the medical officer must be notified. Any person disobeying this part of the Act will be held guilty of an offence, and will be tried before the justices.

When any medical practitioner certifies that the cleansing or disinfecting of any premises in the London district would tend to check or prevent infectious disease, the clerk to the local authority must give notice to the owner or occupier to the effect that such premises and their contents will be cleansed and disinfected by the local authority at the expense of the owner or occupier, unless the owner and occupier performs the work himself to the satisfaction of the proper officer. When the owner or occupier cannot do the work effectively, because of want of means, the cleansing and disinfecting will be done at the cost of the local authority.

Bedding and Clothing. Where bedding, clothing, or other articles have been exposed to infection, the local authority, or its proper officer, may, by notice in writing, require the owner to deliver the infected articles to the proper officer, so that the same may be removed and disinfected. The maximum penalty for failing to obey this rule is £10. The articles disinfected will be so treated and brought back to the owner free of charge; if any unnecessary damage is done to the articles, compensation will be made. Infected clothing must not be sent to a laundry.

If a person ceases to occupy a house, or part of a house, in which a person has suffered from an infectious disease within six weeks previously, the following must be done by him: Cleanse and disinfect the house, or part of the house, and the articles therein, and obtain a certificate from a registered medical practitioner, or give notice of the previous existence of the disease to the owner. Any person ceasing to occupy, as above described, who knowingly gives a false answer to persons negotiating for the hire of the house or part of it, by which he conceals from them the fact of the recent infectious disease, is liable to a penalty of which the maximum is £10.

Library Books. Any person suffering from an infectious disease is subject to penalties for continuing to borrow books from libraries until infection is removed, and books which have been known to be in possession of such a person may be destroyed with compensation to the owners in a proper case.

Dead Bodies. The body of any person who has died of an infectious disease must not be kept in a dwelling-place, sleeping-place, or workroom for more than forty-eight hours, without the sanction in writing of a registered medical practitioner. If a person dies from infectious disease in an hospital, or place of temporary accommodation for the sick, the body must be buried forthwith, or taken to a mortuary, if the registered medical practitioner certifies that such a course is desirable. The penalty for disobedience is £10. A justice of the peace may order a body to be taken to a mortuary, or to be

buried forthwith at the cost of the local authority, in the following circumstances: Where the person has died of an infectious disease, and remains in a dwelling-house, sleeping-place, or workroom, for more than forty-eight hours, without the sanction of the medical officer, or where the body is likely to endanger the health of the inmates of the building or their neighbours. If the friends of the deceased desire to bury the body forthwith, they can do so at their own expense.

Conveyance of Infected Person. A person who hires a public conveyance, other than a hearse, to convey the corpse of a person who has died from infectious disease, must notify the owner or the driver, and the owner or driver must disinfect the vehicle immediately afterwards. Disobedience to this rule is an offence.

A justice of the peace may order the detention in hospital, at the cost of the local authority, of any person suffering from an infectious disease, who is then in an hospital for infectious disease, and who would not, on leaving such hospital, be provided with lodging in which proper precautions could be taken to prevent the spreading of the disorder by such person. It is an offence for any person knowingly to cast into an ash-pit, ash tub, or other receptacle, any infectious rubbish, without previous disinfection. The local authority shall provide temporary shelter free of charge to the members of a family in which infectious disease has appeared, who have been compelled to leave their dwelling so that the same may be disinfected. The proper officer, who shall produce his authority in writing, may enter any premises for the purpose of cleansing or disinfecting between the hours of 10 in the morning and 6 in the afternoon.

IN FORMA PAUPERIS.—Under certain limited conditions a poor person has always been enabled to be supplied with legal assistance if his means were insufficient for him to prosecute his suit. Now, under new rules promulgated in 1914, any person who has a good cause, whether as plaintiff or defendant, and whose total means do not exceed £50—or in certain exceptional cases £100—can obtain legal assistance. The first step to be taken is to apply to the proper office at the Law Courts, Strand, or to the district registrar, who will supply all the necessary forms and ask for the fullest information. This is then submitted to one of the solicitors whose name is on the list of those who have expressed their willingness to give their services gratuitously, and if the report is favourable the case is proceeded with and conducted in court by a barrister who also acts gratuitously. Up to the present this procedure has been mainly applied to divorce cases. It is only the legal expenses that are excused under this *forma pauperis* method. No provision is made for personal expenses, and these must still be borne by the litigant.

By the Poor Prisoners' Defence Act, 1903, provision is now made for the grant of legal aid to prisoners in certain cases where the prisoner has not the means of supplying funds to instruct solicitor and counsel, and is committed for trial at assizes or quarter sessions. Application for such legal aid should be made to the committing justices, who may grant a certificate for the same when it appears "having regard to the nature of the defence set up by the poor prisoner as disclosed in the evidence or statement made by him, that it is desirable, in the interests of justice, that he should have legal aid in the preparation and conduct of his

defence." Sometimes a prisoner delays making application for legal aid until he is brought up at the assizes or quarter sessions. Unless the case is very exceptional the application will not be acceded to unless some ground of defence has been shown in the preliminary proceedings. The expenses of the defence are paid by the State upon a fixed scale.

INFORMATION.—Instead of proceeding by indictment and placing a charge before a grand jury, it is possible for the criminal law to be set in motion by means of what is known as a criminal information, that is, a complaint on behalf of the Crown in the King's Bench Division in respect of some offence which is not a felony. There are two kinds of criminal informations, (1) Informations *ex officio*; (2) Information by the master of the Crown Office. The former is a formal writing alleging an offence, filed by the Attorney General in the King's Bench Division of the High Court of Justice. As just mentioned, an information does not lie for a felony (*q.v.*), but only for a misdemeanour (*q.v.*), and the procedure by information is only adopted in cases of grave necessity, where the delay caused by the ordinary methods of the law might have an ill effect. The principal cases in which an information is laid is where the offence alleged is one which tends to disturb the government, such as seditious libel, riot, obstruction of officers in the execution of their duties, oppression, bribery, etc. After the information has been laid, the Attorney General must prosecute his case within twelve months, otherwise the defendant is entitled to bring it on and have it disposed of. The second kind of information is a formal writing alleging an offence, filed in the King's Bench Division of the High Court by the master of the Crown Office at the instance of an individual. But such an information cannot be laid unless the leave of the court is first granted. This kind of information, like the former, is not at all common, and only lies in the case of misdemeanours which are deserving of public annulment. When a criminal information has been filed the case is tried in the same manner as any other criminal case.

The term *information* is often given to the statement put forward when a summons is applied for to justices, and indeed, *information* and *summons* are often used as though they were the same thing.

INFORMER.—For the purpose of encouraging people to assist in the prosecution of offenders, it was a custom in olden times to award a portion or the whole of the monetary penalty imposed to the person who actually succeeded in bringing a wrongdoer to justice. The person to whom the reward was paid was called an informer or a common informer. But by a statute passed in the reign of Queen Elizabeth any action brought through the informer for the recovery of penalties must be commenced within a year of the commission of the offence. With improved methods of administration, the practice of rewarding an informer has become almost obsolete, and it does not exist now except under certain statutes. As a corollary to the reward offered for detection and prosecution, any person who knowingly conceals an offence or compounds with the offender renders himself liable to penalties of a varying nature (See **COMPOUNDING**.)

INGOTS.—This name was formerly applied to the mould or matrix into which molten metal was

poured for the purpose of turning it into bars. At the present day it is used exclusively to denote the bar itself. It is a pure matter of convention that the word "ingot" is now made applicable to a bar of the precious metals only, gold and silver, others being simply spoken of as bars.

INHABITED HOUSE DUTY.—Inhabited house duty, or house tax, is charged on inhabited dwelling-houses in Great Britain according to their annual value. It is payable on or before January 1st in each year. It has been held that a house furnished ready for use must be regarded as an inhabited dwelling-house, although, in fact, it was not occupied during the year. A working man's club in which no one sleeps has been held to be outside the basis of charge.

The House Tax Acts enact that, in charging duty, every coach-house, stable, brew-house, wash-house, laundry, wood-house, dairy, and all other offices, and all yards, courts, and curtilages, and gardens and pleasure grounds (not exceeding an acre in extent), belonging to and occupied with any dwelling-house, shall be valued therewith. A hotel keeper's stables, although not attached to the hotel, are held to be "occupied with" such hotel. Similarly, stables, kennels, and servants' residences owned by a hunt committee for a common purpose have been charged in one sum, notwithstanding that there was no internal communication between the parts. As to the liability of school buildings in some way connected with the masters' and scholars' residences, the decision has turned on whether both sets of premises were "occupied" by the same person. Where the headmaster was the legal occupier of the house, and the school governors of the school premises, the latter buildings were not included in the charge. Where the resident master owned both sets of premises (and was, therefore, the legal occupier of both), one charge was made on the combined annual value. Shops and warehouses, also, which are either attached to or have communication with a dwelling-house are charged therewith.

A chamber or apartment in any of the Inns of Court or of Chancery, or in any college or hall in any university, and also a hall or office lawfully chargeable with other taxes or parish rates, are described by statute as inhabited dwelling-houses.

The following premises are exempted from the duty—

- (1) Market gardens or nursery grounds occupied by a market gardener or nurseryman *bona fide* for the sale of the produce thereof in the way of his trade or business.
- (2) Warehouses and buildings on wharves occupied by wharfingers who have dwelling-houses there; also such warehouses as are distinct and separate buildings, not being parts of dwelling-houses or of shops attached, even though adjoining or communicating therewith, but employed for lodging goods or carrying on some manufacture.
- (3) Houses belonging to the Crown, and public offices.
- (4) Hospitals, charity schools, or houses provided for the relief of poor persons.
- (5) Business Premises. Where a house is divided structurally and let in different tenements, and any of such tenements are occupied solely for the purpose of any trade, business, profession, or calling by which the occupier seeks a livelihood or profit, or are unoccupied, duty may be charged only on the value of the remaining tenements. Notice must be

given to the surveyor of taxes during the year of assessment. Every house or tenement which is so occupied is entitled to exemption, although there may reside on the premises, for the protection thereof, a menial or domestic servant employed by the occupier, or any person of a similar grade or description not otherwise employed by the occupier.

(6) Unfurnished houses or tenements being unfurnished, although left to the charge of persons or servants dwelling therein solely for their protection.

The duty is charged annually on the occupier of the premises. When there is a change of occupation during the year, duty is apportioned according to the times of possession.

When any dwelling-house is divided into different tenements, being distinct properties, every such tenement is chargeable separately on the occupier.

Where any house is let in different storeys, tenements, lodgings, or landings, and is inhabited by two or more persons or families, it is charged in one sum on the landlord. When duty so charged is left unpaid for twenty days, the collector may demand it from or levy it on any of the tenants, who may make an equivalent deduction from their rent.

Where a house, so far as it is used as a dwelling-house, is used for the sole purpose of providing separate dwellings—

(a) The annual value of any dwelling in the house which is of an annual value below £20 is excluded from the annual value of the house.

(b) The rate in respect of any dwelling in the house of an annual value of £20, but not exceeding £40, is reduced to 3d.

(c) The rate in respect of any dwelling in the house of an annual value exceeding £40, but not exceeding £60, is reduced to 6d.

The provisions as to (a) and (b) take effect only when a certificate as to suitable and sanitary accommodation is given by the medical officer of health for the district.

There are two scales of duty—the full rate ordinarily charged and the lower rate allowed in certain cases stated hereafter.

The full rates are—

when the annual value is £20, but does not exceed £40—3d. in the £.

when the annual value exceeds £40, but does not exceed £60—6d. in the £.

when the annual value exceeds £60—9d. in the £.

In the lower scale, 2d., 4d., and 6d. are substituted for 3d., 6d., and 9d. respectively in the full scale. The lower rates are allowed to the following premises—

(1) Any dwelling-house occupied by any person in trade, who shall expose to sale and sell any goods, wares, or merchandise in any shop or warehouse being part of the same dwelling-house and in the front, and on the ground or basement story.

(2) Any dwelling-house occupied by any person licensed by law to sell therein, by retail, beer, ale, wine, or other liquors, although the room where such liquors are exposed to sale, sold, drunk, or consumed is not a shop or warehouse. (The person charged as occupier and the person holding the licence must be identified.)

(3) Any dwelling-house which is a farmhouse occupied by a tenant or farm servant, and *bona fide* used for the purpose of husbandry only.

(4) Any dwelling-house occupied by any person, who shall carry on therein the business of an hotel keeper, innkeeper, or coffee-house keeper.

(5) Any dwelling-house occupied by a person for the main purpose of letting furnished lodgings as a means of livelihood. The occupier must register his name with the clerk to the Commissioners before October 1st, and must apply to the Commissioners before November 1st.

INITIALS.—Certain documents are not accepted in legal proceedings unless they are signed by the person who is alleged to be bound, especially under the Statute of Frauds and the Wills Act. The question has been raised on several occasions as to what is the exact nature of the signature which is required. Is it the full name of the person signing, or will some abbreviated form serve the purpose? There are now clear decisions upon the subject, and it has been decided that a valid subscription may be either by name or by some mark which is intended to represent the name. Hence, it is clear that a mark is sufficient, if it can be proved that it has been made by the person who was intending to sign, and as a mark is sufficient, so initials are still more satisfactory. In the case of deeds or wills, whenever any interlineations are made, the person signing the deed should place his initials opposite the interlineations, *i.e.*, in the margin, and in the case of a will, all alterations in the body of the will should have the initials of the testator against them, together with the initials of the attesting witnesses. When an alteration is made in the body of a mercantile document, the person who is bound to sign the document should place his initials close to the place where the alteration is made.

INJUNCTION.—This is an order made in respect of certain matters, such as trespass, infringement of a right, etc., by which a person is commanded to refrain from doing a certain thing. It is essentially a creation of equity, and such an order is granted when it is clear that a mere payment of money damages will not give the aggrieved party adequate relief. The grant of an injunction is not made as of right, the whole matter is one which is entirely in the discretion of the court. Disobedience to the orders contained in an injunction constitutes a contempt of court, and the party in default is liable to imprisonment. An injunction is, in its main aspects, the exact opposite of an order for specific performance (*q.v.*).

INK.—Ink is manufactured in a variety of ways, according to the purpose for which it is required. The best black writing ink consists of a solution of ferrous sulphate or green vitriol added to an infusion of gall-nuts, a small quantity of gum, and sometimes an admixture of creosote or carbolic acid to prevent mouldiness. Another method is to add chrome alum and gum arabic to an infusion of logwood. Vegetable dyes, such as Brazil wood red stain, or aniline solutions, are used in the preparation of coloured inks. Copying ink requires the addition of sugar and gum, or glycerine, to increase its body and prevent it from drying. Marking ink consists of silver nitrate dissolved in water, together with a solution of ammonia, gum, and carbonate of soda. The black colour is usually developed by exposure to the action of light or heat, but there are marking inks now on the market which do not require this. Printing ink is a viscous compound, consisting usually of lamp-black, paraffin, and resin, and special oils or varnishes in proportions varying according to the paper and machine used. Sometimes an addition of dried soap is found useful. Indian ink is indelible. It consists of the finest lamp-black mixed with a solution of gum of glue.

It is also known as China ink. An invisible ink may be made of cobalt chloride. This becomes visible on the application of heat. Other varieties require chemical treatment.

INLAND BILL OF EXCHANGE.—By the Bills of Exchange Act, 1882 (Sec. 4), an inland bill of exchange is defined as follows—

"(1) An inland bill is a bill which is, or on the face of it purports to be, (a) both drawn and payable within the British Islands, or (b) drawn within the British Islands upon some person resident therein. Any other bill is a foreign bill.

"For the purposes of this Act, 'British Islands' mean any part of the United Kingdom of Great Britain and Ireland, the islands of Man, Guernsey, Jersey, Alderney, and Sark, and the islands adjacent to any of them being part of the dominions of Her Majesty.

"(2) Unless the contrary appear on the face of the bill, the holder may treat it as an inland bill."

By Section 36 of the Stamp Act, 1891—

"A bill or note purporting to be drawn or made out of the United Kingdom is, for the purposes of stamp duty, to be deemed to have been so drawn or made, although it may in fact have been drawn or made within the United Kingdom."

Therefore, it will be seen that by the Stamp Act a bill which is drawn in the Isle of Man and the Channel Islands (which are places out of the United Kingdom) is regarded as a foreign bill, whereas it is an inland bill under the definition given in the Bills of Exchange Act, 1882.

When an inland bill is dishonoured, there is no legal necessity that it should be protested (*qv*) for non-acceptance or non-payment, in order to preserve recourse against the drawer or the indorser, as must be done in the case of a foreign bill (*qv*), but it is sometimes done in order to induce a friend to come forward to accept the bill for the honour of some person who is a party to the bill.

If an inland bill is indorsed abroad, the indorsement, as regards the payer, is interpreted according to the law of the United Kingdom. As to the rules which govern a bill drawn in one country and negotiated in another, see FOREIGN BILL.

The form of an inland bill, and all matters connected with the same, are referred to at length in the article BILL OF EXCHANGE and the various other articles to which allusion is therein made.

INLAND MONEY ORDERS.—(See MONEY ORDERS.)

INLAND REVENUE.—This is, perhaps, the most important of all the departments of the Civil Service, as it is the one which is responsible for the national income derived from death duties (*qv*), excise (*qv*), stamps (*qv*), and taxes (*qv*) generally. The headquarters of the department are Somerset House, London, but there are numerous sub-departments in various parts of the country.

INLAND TELEGRAMS.—These are the telegrams which are despatched from any one part of the United Kingdom to any other part. All others are foreign telegrams.

INLAND WATER CARRIAGE.—The word "canal" includes any navigation where tolls are levied by authority of Parliament, and also the wharves and landing-places of, and belonging to, such canal or navigation, and used for the purposes of public traffic. By the Canals Clauses Act, 1855, all

charges to be made by any canal company for the carriage of any goods, wares, merchandise, articles, or things, for the use of their boats and other vessels, or for the supply of haulage, trackage, or other power, must be at all times charged equally to all persons and after the same rate, whether per mile, or per ton per mile, or otherwise in respect of all goods and things of a like description conveyed at the same rate of speed and passing along the same portion of any canal under the like circumstances, and no reduction or advance must be made, either directly or indirectly, in favour of any particular company or person. The provisions in force relating to common carriers apply to canal companies. By the Railway and Canal Traffic Act, 1854, railway and canal companies must make proper provision for receiving and forwarding traffic without unreasonable delay, and without granting any undue preference to any person or company in connection therewith. Canal companies, in the same way as railway companies, having or working canals forming part of a continuous line of communication, or which have the terminus or wharf of the one, within one mile of the terminus or wharf of the other (except terminus or wharves within five miles of St. Paul's), must afford due and reasonable facilities for receiving and forwarding all the traffic arriving by one of such canals by the other. Persons complaining that such facilities are not granted may complain to the Railway and Canal Commissioners (*qv*). Canal companies, like railway companies, are liable for the loss of, or for any injury done to, any horses, cattle, or other animals, or to any articles, goods, or things, in the receiving, forwarding, or delivering thereof, occasioned by the neglect or default of the company or their servants, notwithstanding any notice to the contrary, but companies are not prevented from making such conditions as shall be adjudged by a court to be just and reasonable. No greater damages shall be recovered for the loss of, or for any injury done to, any such animals beyond the following sums, that is to say, for any horse, £50, for any neat cattle, per head, £15, for any sheep or pigs per head, £2, unless the person delivering the same to the company, at the time of the delivery, declares them to be respectively of higher value, in which case the company may demand and receive for the increased risk a reasonable percentage upon the excess of the value so declared above the sums so limited, and this must be paid in addition to the ordinary rate of charge. But no special contract is binding unless signed. The provisions as to carriage of goods by canals are practically the same as those relating to railways. (See RAILWAY COMPANIES AS CARRIERS.)

INNKEEPERS, RIGHTS AND LIABILITIES OF.—An inn has been defined as "a house where a traveller is furnished with everything he has occasion for while on his way." It is important to bear this definition in mind because upon it depends entirely the peculiar liabilities which attach to an innkeeper. A coffee-house where there are beds has been held to be an inn, but a lodging or boarding house is not. It has been judicially stated, "an inn is a house, the owner of which holds out that he will receive all travellers and sojourners who are willing to pay a price adequate to the sort of accommodation provided, and who come in a situation in which they are not to be received. A lodging-house keeper makes a contract with every man that comes, whereas an innkeeper is bound, without making any special

contract, to provide lodging, and entertainment for all, at a reasonable price."

Any person may demand admission and accommodation at an inn, so long as there is room and the traveller is ready to pay for his accommodation at any hour of the day or night. But the obligation to receive only applies so long as the guest is a traveller. In the absence of any special contract, there is nothing to compel an innkeeper to allow the guest to stay for any length of time. When, in fact, the guest has ceased to be a traveller, he may be ejected after reasonable notice, without any special grounds being given, even though there is ample accommodation. There are very few grounds upon which an innkeeper may refuse to accept a person as guest, provided, of course, as above stated, that he has room, and the guest is willing to pay. An intoxicated or disorderly person may be rejected, and so also may a person who brings an objectionable animal with him *e.g.*, as a ferocious dog. If a landlord refuses to accept a person whom he is bound to admit he is liable to an action, or he may even be indicted.

By the ancient law of the realm, the common law, heavy liabilities were imposed upon a person who occupied the position of an innkeeper. And, except as is hereinafter stated, the liability imposed by the common law still remains. The origin of the rule of law is no doubt traceable to the fact that innkeepers in olden times were frequently in league with highwaymen and assisted in the robbery of travellers. The liability extended to all losses which were not ascribable to the guest's own fault, unless they were proved to arise from the act of God (*q.v.*) or the King's enemies. This liability was eventually limited by the passing of the Innkeepers' Liability Act, 1863, the extent of the liability being fixed at a sum not exceeding £30, unless (1) the article lost is a horse or other live animal, or any gear appertaining thereto, or any carriage; (2) the property has been stolen, lost, or injured through the wilful act, default, or neglect of the innkeeper, or of one of his servants; (3) or the property has been expressly deposited with the innkeeper for safe custody. But in consideration of his liability in the third instance, the innkeeper may require the guest to fasten and seal up his property in a box or other safe receptacle. This limitation does not apply unless the innkeeper has taken care to exhibit in a conspicuous position in the entrance hall of his inn an accurate and full copy of the first section of the Act. The only chance of escape of an innkeeper, if the Act does not apply, is to show that any loss sustained by his guest is the direct result of the guest's own negligence; and this, of course, is a matter of evidence which can only be gathered from the facts of the case.

On the other hand, in addition to his liability at common law, the innkeeper is now under an additional obligation by reason of the Public Health Act, 1875. By this last-named Act, an innkeeper is compelled to have any part of his house, in which a person suffering from a dangerous infectious disorder has been staying, thoroughly disinfected to the satisfaction of a duly qualified medical practitioner before it can be occupied by another guest. The evidence of disinfection is supplied by the granting of a certificate on the part of the medical practitioner. An infringement of this regulation renders the innkeeper liable to a fine of £20 on summary conviction.

Contrary to the general law of distress (*q.v.*),

which entitles a landlord to seize all goods upon the demised premises, except in so far as they are specially protected by law, the goods and chattels of travellers and others at an inn are not liable to seizure, provided they are within and upon the premises. But this does not apply to a person who is not a traveller, but only a lodger, as, for example, where he hires an unfurnished room under an agreement with the innkeeper. Such a person can only release his goods if they are seized under the Law of Distress Amendment Act, 1908, the Act which extended in certain cases the protection formerly accorded to lodgers, under the Lodgers' Goods Protective Act, 1871, to certain under-tenants and "other" persons.

As far as the innkeeper is concerned, he enjoys a peculiar right of lien (*q.v.*), for he can detain the goods of his guest until his charges are paid. This is a kind of compensation in return for the heavy liabilities imposed upon him, and in this respect he is in a better position than a boarding-house keeper, who has no right of lien, but who is under less liability as to lost or stolen goods. The lien extends not only to the goods of the guest, but to the goods which are the property of third persons, if brought to the inn by the guest, provided the innkeeper is unaware of the fact that they are the property of such third person.

By another Act passed in 1878 the additional power was given to an innkeeper of selling the goods of a guest upon which he had exercised his right of lien. But such sale cannot take place until after an interval of six weeks from the exercise of the right of lien, nor until the statutory notices of the intended sale have been inserted in the specified newspapers—one London one, and the other a country one circulating in the district where the inn is situated.

An innkeeper has no right to detain the person of his guest for non-payment of his bill. By so doing he renders himself liable to an action for false imprisonment (*q.v.*). But if there is satisfactory evidence that a guest came to an inn and procured lodging and board without having any probable means of paying for the same, the innkeeper may prosecute him for the fraud, *e.g.*, obtaining goods by false pretences (*q.v.*). It is unsafe, however, to take extreme measures except upon the clearest possible evidence, otherwise an action for malicious prosecution (*q.v.*), with its resulting heavy damages may ensue. (See ARREST, RIGHT OF.)

INOPERATIVE ACCOUNT.—This is the name given to a banking account upon which there are no transactions.

INQUEST.—This word signifies an inquiry of any kind, but the name is usually confined to inquiries concerning violent or sudden deaths, or deaths from causes unknown, or deaths in prison, inquiries as to treasure trove (*q.v.*), and what are known as fire inquests.

Whenever a violent or a sudden death takes place, it is the duty of any person who is acquainted with the facts to inform an officer of the peace, or police constable, and he, in turn, lays the information he has received before the coroner (*q.v.*) of the district. This official then decides whether it is necessary, under the circumstances, for an inquest to take place. If he comes to an affirmative conclusion, his special officer calls together a jury; and a preliminary inquiry is held which corresponds in certain respects to a preliminary criminal inquiry, though in the case of an inquest the rules, especially as to evidence,

are not so rigidly followed as in a criminal inquiry. The whole subject is an examination of the facts connected with the death, and the jury must return a verdict upon the evidence adduced. It is not necessary that the jury should be composed of twelve men exactly, generally this number is somewhat exceeded, but the verdict must be returned by twelve men at least. This number has recently been reduced to eight. If a verdict of murder or manslaughter is recorded, the coroner may commit the person against whom the verdict is recorded for trial at the following assizes for the county, or at the Central Criminal Court. This is altogether irrespective of what takes place at the preliminary police court investigation if any. By the Juries Act, 1918, coroners were empowered to hold inquests without juries, except in certain cases which are referred to under JURY.

Any person over the age of twenty-one is liable to be summoned as a juror, unless he is specially exempted by statute, and if a juror fails to appear after being summoned, he is liable to be fined a sum not exceeding £5.

In the majority of cases an inquest is concluded within a short period, and the coroner then issues his certificate permitting the body of the deceased to be buried. If, however, the inquiry is likely to be prolonged, the coroner may issue his order for burial even before the inquest is concluded. Should any difficulties arise afterwards, there is always the right of exhumation to correct any possible miscarriage of justice.

For the purpose of identification, it is necessary that the jury should view the body of the deceased. This practice will probably be discontinued at no distant date.

In the case of inquests concerning treasure trove and fires, the inquiry is conducted as in an ordinary inquest, the coroner explaining to the jury what are the particular points upon which their verdict must be given.

As to treasure trove, the inquiry is directed to deciding whether the property found is or is not such as the ownership can be discovered, or whether the property reverts to the Crown. (See TREASURE TROVE.)

As to fires, a coroner cannot now inquire into the cause of a fire, unless it is connected with the death of some person or persons who have perished in the same. An exception, however, is made in the case of the City of London. By the City of London Fire Inquests Act, 1888, the City coroner is authorized to hold inquests as to the cause of fires within the City of London, whether any lives have been lost or not. In the latter part of 1911, a claim was made to inquire into the cause of a fire within the precinct of the Temple, and the Benchers of the Middle Temple declined to admit the jurisdiction of the coroner in this respect. It was thought at one time that a case would be brought before the High Court and the peculiar position occupied by the Temple inquired into. The matter, however, has been allowed to drop.

INQUIRY AGENCIES.—With all our modern conditions and the availability and opportunity at any time of learning the financial standing of any other person or company, it is difficult to understand how business was carried on in bygone days. That credit (or the laying out of one's money for a given period) was allowed there can be no doubt, at the same time it can be readily imagined how easy it would be for one person to defraud another

on the pretence that he had the means with which he could discharge the liability incurred. In short, what means in those earlier days had a seller of learning whether the buyer of his goods had the wherewithal to pay his debts?

Recent years have shown a very great increase in the giving of credit. This is largely owing to our modern methods, and in the main is due to severe competition amongst traders. For example, a large wealthy company agrees with its customers that they may, subject to decreasing rates of discount as time extends, pay within any specified time up to two or three months. In some cases the time extends even to six months, but these are usually net accounts, no discount being allowed. Firms which for various reasons cannot allow their money to remain out so long are thus deprived in many cases of some of their customers. It is true the customers lost will probably be those whose financial standing is of the weakest, on the other hand, it means serious loss to them. It naturally follows that the firm which maintains its business on a purely cash basis, or gives only very narrow limits in regard to credit, and at the same time retains or increases its turnover, comes out best. The capital is turned over more often and, consequently, a greater profit is made. It is under these circumstances that inquiry agents have grown up, so much so, that there is scarcely a company, firm, or trader in the world, whether it is a wealthy corporation or a humble shopkeeper, whose history and financial standing are not known.

Inquiry agents divide themselves into two classes. In the first case there are the companies which have as their main object the acquiring and providing information when required as to the financial standing of business firms and merchants. Any other business which they may carry on is largely incidental to their main object, such as, for example, reports of liquidations, changes in firms, etc., debt collections, intimations for travellers going abroad, etc.

In the second place there are the companies which obtain and provide information for the benefit of their customers, e.g., at the request of a customer, a bank would obtain particulars regarding the standing of a merchant or firm, although it must be understood that this does not constitute part of the duty which a bank owes to its customer. In the same manner many firms will supply to those with which they have business connections information concerning a third person or company. There is, of course, a natural disinclination to allow this except under special conditions.

It will be readily understood that difficulty often arises in giving precise information, and the agent invariably states that, whilst the object of an inquiry is to ascertain the financial standing of a firm, he is not responsible for any information which may prove inaccurate, nor does he accept liability for any loss or damage. Further, it is made a condition that, as far as is convenient, other sources of information should be used, and that any time a merchant obtains information respecting the status of a trader which is likely to be of benefit to the inquiry agent, it is requested that such information be furnished to him. By the cooperation of subscribers, correct information may be obtained which will be for the benefit of all.

It only is necessary that a trader should obtain information from all the available sources, but he should also revise his reports from time to time as

is found desirable. The standing of a firm may alter materially in the course of a few years, and he should protect himself by periodically going through his customers' accounts and obtaining the latest reports respecting them. The time to carry this out depends entirely on the circumstances incidental to each account, and must be determined by the trader himself.

To illustrate the practice carried out by respectable houses, let it be assumed that John Smith, of London, is a wholesale draper. He receives an order for £100 value in silks from James Dunn, of Reading, Dunn being an entirely new customer, Smith desires information respecting his financial standing. This may be obtained in a variety of ways, the methods adopted being described in detail below—

1. On the payment of a specified sum annually, companies carrying on business as inquiry agents will supply each year lists of traders, etc., either throughout the whole country or for various limited districts. These lists give a short summary, brief it may be, but nevertheless accurate, of the financial position of each trader. By means of letters, figures or signs, the commercial and financial standing of a trader are shown, also the amount of credit which appears justifiable in each case. By reference to the lists, and with due consideration of his own position, a trader is able to decide what risks he will take in opening or continuing an account. For example, the credit asked for might be £100, but he may be so cautious in his business transactions that only on very rare occasions would he give more than half the amount desired. In this way many firms have acquired quite a reputation for strict terms. At the end of each period or year these lists are expected to be returned to the issuing office, and fresh lists up-to-date are sent on payment of the requisite fee. It is essential from the trader's point of view that his reports should be kept as up-to-date as possible. Any supplementary matter to that contained in the lists will be supplied, if it is found necessary.

2. The previous method being somewhat expensive, it is not largely used by smaller firms or private traders. Rather than pay a large sum each year, a merchant will pay for the information as it is required. This introduces the second method, which is the most common. Upon payment of a small sum, varying from 1s. upwards, the inquiry agent will issue a form duly filled up, giving, as a rule, the information asked for by the inquirer. One or two typical references may be given as examples—

J. S. This man's reputation is good, and he is considered safe for ordinary credits. Established in the city upwards of ten years.

R. N., Ltd. Quite a new firm. There is no record available. The directors are local men, and they have no special knowledge of the business. Await developments before giving credit to any extent.

A. M. Has a reputation for being tricky. Make careful investigations.

T. H., Ltd. Very high-class firm and old-established. Large reserve fund invested in good securities. A safe bet for any engagements entered into.

3. Desiring to have the information not only of the inquiry agent, but also of his banker, Mr. Smith asks the latter to obtain details of his new customer. The London banker thereupon communicates with its Reading branch or agent, and requests the

necessary information. The matter supplied will take similar shape to that named in No. 2; and, of course, as in the case of inquiry agents, the banker makes no guarantee that the information given is correct, and he further states that it must be taken without prejudice.

4. The fourth method is not so common, and in the circumstances there is a natural disinclination to grant the information required. For example, Mr. Dunn, who has been accustomed to buy from Mr. Smith, sends an order to Thomas & Company who carry on a similar business to Mr. Smith's. Along with his order, Mr. Dunn gives Smith's name as a reference. When Thomas & Company come to inquire from the latter, there is naturally a desire to withhold the information, owing to the fear of losing the connection which had been established with Mr. Dunn. It is understood, of course, that such information would only be given where the competitors were on the best terms one with the other.

The method adopted for foreign countries is very much on the same lines. Books containing varying numbers of "tickets," or blank forms, are sold to clients. The cost of these tickets varies according to the country in which the inquiry is to be made. For example, an inquiry respecting a French or German customer might cost 2s., whereas the cost of a Polish inquiry would be higher. To cover the extra cost of the more expensive inquiries, stamps are sold, and these to the amount required are affixed by the inquirer to the form sent out asking for the information. The forms or tickets vary only in their wording, and are essentially the same, although sent out by different agents.

Not only is it necessary that a trader should have up-to-date information concerning his customers, but it is essential that such information should be always at hand when required. In the method No. 1 the lists issued annually can be relied upon as being up-to-date, and being in book form can always be readily handled and found. In the other methods outlined, careful records must be made by means of which reports may be turned up without delay. There are various ways in which this may be carried out, three of which may be named. In the first place, as each report is received, a copy may be made in a book which is kept fully indexed. Where the reports received are not very numerous this is perhaps the easiest plan to adopt, but in a large warehouse the books would increase very rapidly, and it would be difficult to trace the latest reports. Being necessary to keep the customers' reports thoroughly revised, there might be three or four reports on one account in as many books. To find these would be difficult and rather tiresome. Another plan adopted by many is to make a copy, or extract, of the salient points of a report on a card forming part of the "card system" (q.v.). These are afterwards arranged alphabetically, geographically, or otherwise in a cabinet, and could easily be referred to at any time. The chief difficulty resultant upon this plan is that the card does not lend itself to giving much information, and there is always the danger that in making the transcription something important may be omitted.

The third and best method is: Immediately after receipt of the reports, to file them on the vertical system, at the same time entering in the card index a note of the name and position, or numbered folder, where the report can be found. Any additional information or correspondence relative to the

terms or credit of a customer can be afterwards put in the same place, no fresh entry being required. Not only is this method the simplest, but it is the quickest and most reliable in actual practice.

INQUISITION.—Whenever an inquest has been held (see INQUEST), the record of the finding of the jury is called an inquisition, and a person against whom the jury have returned a verdict of murder or manslaughter may be committed for trial, irrespective of what takes place before a police magistrate, and there is no need to bring the matter before the grand jury. The accused may be put on his trial at once before the common or traverse jury on the inquisition alone. In practice, this happens very rarely.

IN RE.—"In the matter of." This is the exact meaning of this Latin phrase, which is used when a particular case has reference to a particular person or to a body of persons, and where there is no action existing between two parties or sets of parties. Such a case is invariably headed thus: "*In re A. B.*" When an application is made by one person alone in such a matter, the heading is generally as follows: "*In re A. B., ex parte C. D.*"

INSCRIBED STOCK.—This is the name given to certain stock for which no actual certificates are granted to the holders, but their names and the amount of the stock they hold are entered in the registers kept for the purpose at the banks which have the management of the stocks. The Bank of England, for instance, holds the registers for the stocks in the Public Funds (Consols, War Loan, etc.), and a stockholder wishing to transfer his holding, must attend personally at the Bank to sign the transfer in the register, or, if unable to attend personally, the transfer may be effected by his duly authorised attorney. Transfers must in all cases be identified by a stockbroker or other person approved by the Bank.

It has been the long-established practice of the Bank of England to permit stockholders to make transfers in the Bank books only when they are identified as the persons owning the stock by persons of one of three classes: (1) Certain high officers of the Bank of England; (2) the past and present representatives of private banks; (3) members of the London Stock Exchange and their clerks, whose names are upon a list kept at the Bank. The privilege of being upon this list of brokers is obtained by the introduction of a member already upon the list. A member upon the list can have his clerk's name put upon it by signing a document making himself responsible for the acts of his clerk.

Certain stocks domiciled at the Bank of Montreal, Glyn & Co., Standard Bank of South Africa, and the Agent-General for South Australia, are transferred by deed, although they are called inscribed stocks.

Stock certificates to bearer may be obtained by a holder for various inscribed stocks, which are transferable at the Bank of England.

•The receipt for the purchase money, which is given to a purchaser when a transfer of inscribed stock is made, is of no value. It is not required upon a subsequent sale. To obtain a security upon inscribed stock, it must be transferred into the names of the nominees of the bank, but if the inscribed stock can be exchanged into bearer bonds, it may be more convenient for a customer to do this in order to give security to a bank.

INSOLVENCY.—The condition of a person who is unable to meet his debts. (See BANKRUPTCY.)

INSOLVENT.—A person who is unable to pay his debts as they become due in the ordinary course, or whose liabilities exceed his available assets.

INSPECTING ORDER.—When a person has goods for sale, and the same are lying at some dock or wharf, he may desire that a prospective purchaser shall have an opportunity of inspecting them. For this purpose he delivers an inspecting order to the prospective purchaser, and this order authorises the superintendent or person in charge of the dock or wharf to allow such inspection to be made, and generally permits a sample of the goods to be taken away for examination.

INSPECTION OF LIGHTS.—The Lighting and Watching Act was passed in 1833, and provides for the lighting of parishes in England and Wales; the watching relates to the duties of the parish constable. Some of the provisions now to be explained has been modified by the Local Government Act, 1894, but the principle remains unchanged. On the application of three rated inhabitants, a meeting of the parish is to be convened to determine whether the Act shall be adopted in the parish. It is for this reason that the Act is known as an adoptive Act. If the parishioners adopt the Act, the churchwarden must call a meeting of the ratepayers, who are to elect lighting inspectors for their parish. The candidate for inspectorship must reside within the parish, his house or other premises must be assessed at an annual value of £15 or more. Each candidate must be proposed and seconded by duly qualified voters. If more than the number required offer themselves, then the chairman of the meeting must at once take the opinion of the voters by poll. At the end of each year the lighting inspectors must give an account of the expenses they have incurred, and produce all necessary vouchers. An estimate is rendered of the cost of lighting for the ensuing year.

The money so estimated must be found by the parish. One-third of the lighting inspectors go out of office every year, but are eligible for re-election. The inspectors must meet every month, and may meet on special occasions if it is necessary. At the monthly meeting any ratepayer may attend, if he has a complaint to make. A quorum for transacting the business must consist of two, when there are only three inspectors appointed, and when the number exceeds three, a quorum must consist of one-third of them.

The lighting inspectors are empowered to rent an office or room and appoint such officers as they require. They must obtain security from the treasurer, who is to be entrusted with the lighting money. All the acts, orders, and proceedings of the inspectors done at their meetings must be duly entered in a book, and signed by two of their number. The accounts kept by the lighting inspectors are to be open to every ratepayer, who may make extracts from them free of charge. The money for lighting the parish must be raised from the ratepayers, by means of an order given to the overseers by the lighting inspectors. The overseers then levy the rate accordingly. The lighting rate of those who own or occupy houses or buildings must be three times as great as that of those who own land only. The amount to be levied shall only be such as the ratepayers, in meeting assembled, have previously agreed upon. When the overseers have collected the lighting rate, they must pay the proceeds over to the treasurer.

Power is given to the lighting inspectors to erect lamp irons and lamp posts upon the walls or fences of private property, or upon the streets or roads of the parish. Gas pipes must not be laid in or upon private premises without the written consent of the owner or occupier. In the event of an escape of gas, any person whatsoever is required at once to inform the person or company who supplies the gas, and that party must take prompt measures to stop the escape. The penalty for neglect of this rule is £5 per day during which the neglect continues.

The parties who make the gas have power given them to lay pipes for carrying away the liquid washings from the gas works, but no harm must be done to the private wells, sewers, and drains within the parish. No washings from the gas works may be allowed to flow into any river, stream, or pound. Disobedience to this order involves a penalty of £200. Gas pipes must be laid at the greatest practical distance from water pipes in every street or road. Where gas pipes cross water pipes, they must do so at right angles, and the joints of the gas pipes must be at least 4 ft. away from the water pipes. Heavy penalties are exacted if the water of any company is contaminated by gas, and the penalty is paid to the water company.

Persons who supply gas are liable to be indicted for a nuisance, whether the injury proceeds from the making and use of the gas, or from the carelessness or want of skill of any of the servants of the gas company.

If any person wilfully breaks, throws down, or damages any lamp or part of a lamp, or wilfully puts out the light, it is lawful for any person to apprehend the offender and to claim the assistance of others. The person who apprehends must deliver the offender to a constable. A justice will fine the offender or imprison him.

The lighting inspectors have power to contract for the lighting of the parish to be done to their order; they may purchase ground or buildings, and the property in the lamps, buildings, and furniture shall be vested in the inspectors.

The Local Government Act, 1894, which created the parish meeting and the parish council, has altered the form of the law of 1863 in some small particulars, but not the broad facts of it. The parish meeting in every rural parish has the exclusive right of adopting the Lighting and Watching Act, 1833. Fourteen clear days' notice must be given to the electors. If a poll is demanded, it must be taken by ballot. Two-thirds of the parochial electors must be present at the meeting, and, in case of a ballot, two-thirds of the votes must be in favour of adopting the Act. When there is a parish council, that council is the authority for carrying out the Act, and not the lighting inspectors. Where there is no parish council, but only a parish meeting, that meeting must appoint the lighting inspectors.

The Lighting and Watching Act does not apply to boroughs and urban districts, but rather to rural parishes, or parts of rural parishes, or to a combination of two or more rural parishes. If a rural parish desires to abandon the Act, it can do so after calling a meeting of the parochial ratepayers, and discharging all the contracts and liabilities which it has incurred under the Act.

INSPECTION OF MINES.—For the purpose of safeguarding the lives of men engaged in mining operations, various statutes have been passed providing for the inspection of mining undertakings.

The most important of these is the Coal Mines Act, 1911, an Act to consolidate and amend the law in relation to coal mines, mines of stratified iron-stone, shale, and fire-clay. The first provision as to inspection is that which requires the appointment of firemen, examiners or deputies to make such inspections and carry out such other duties as to the presence of gases, ventilation, state of roof and sides and general safety, as are required by the regulations of the mine and the Coal Mines Act. Such persons must be properly qualified, either by holding a first or second-class certificate of competency or by being twenty-five years of age, and having at least five years' practical experience underground, two of which must be spent at the face of the workings. In addition, they must have the prescribed certificate of a mining school as to ability to test for gas, and a certificate as to eyesight and hearing must be kept at the office of the mine. The appointment of competent examiners and firemen is in the hands of the manager who must make such appointment in writing.

In addition to the inspection by the mine authorities, the workmen employed in a mine may, at their own cost, appoint two of their number or two practical working miners who have had not less than five years' experience underground, to inspect the mine at least once in every month. Every facility must be afforded by the owner and manager for a full and complete inspection, and these persons shall produce, on demand, the certificates of firemen, examiners, or deputies employed in the mine. The mine's inspectors must make forthwith a full and accurate report of the result of the inspection in a book to be kept at the mine for the purpose, and the manager is expected to send a copy of this report to the inspector of mines for the division.

Where safety lamps are used in a mine, these require careful inspection, and no lamp may be used unless it has been previously examined at the surface by a competent person appointed in writing by the manager for the purpose of making such examinations. Similarly, lamps must be examined on their return, and any damage recorded in a book kept for the purpose. A miner, giving up a damaged lamp, commits an offence under the Act unless he can prove that the damage was due to no fault of his own.

Government Inspector. The Secretary of State may appoint fit persons to be inspectors of mines, and notice of any such appointment shall be published in the *London Gazette*. No person who practises, or is a partner of a person who practises as a land agent, mining engineer, valuer or viewer of mines or arbitrator between owners, agents or managers of mines may be appointed, and no inspector may have an interest direct or indirect in any mine in the United Kingdom. The powers of such inspectors are to make examination and inquiry as may be necessary to ensure that the provisions of the Act are being observed, to enter, inspect, and examine any mine or part thereof at any reasonable time, but so as not to impede or obstruct the working of the mine, to examine the ventilation, matter connected with the safety of persons employed about the mines or as to the care and treatment of animals used in the mine, and in this latter undertaking they may employ duly qualified veterinary surgeons to assist. Obstruction of a mine inspector in the course of his duty is an offence punishable under the Act, and the inspector may call upon the

mine owner to remedy any defect, or, if necessary, to withdraw the men from the mine, where he is of opinion that there is any danger or defect, even although provision has not been made in the Act for his interference. In such a case, however, the mine owner may object in writing, stating the grounds of his objection to the Secretary of State, and the matter will be settled by arbitration, as provided in the Act, the dispute coming before one of the panel of referees appointed under the Act. Among the important duties of inspector of mines comes the making of an annual report to the Secretary of State. This report, together with the report of the chief inspector, is laid before both Houses of Parliament.

The mine-owner or manager is called upon to make certain returns to the inspector of the division. The returns must be made in the form shown in the first schedule to the Act, and must be made up for the year ending 31st December, and forwarded not later than the 21st January in the following year. Particulars of all accidents, particulars as to rescue work, and ambulance appliances and any other particulars prescribed by the Secretary of State, must also be returned. Periodical reports made by persons responsible for the safe working of the mine must be entered in a special book kept for the purpose, and copies of such reports must be posted up at the pit head not later than 10 a.m. on the morning following the making of the report, and must be kept exhibited for twenty-four hours.

Notices must also be given to the inspector of an abandonment of working, or the opening of a new shaft, mine or seam, and accurate plans of workings up to a date not more than three months previously must be forthcoming on demand by an inspector. The plans must be on a scale not less than 40 inches to the mile, and must show the boundaries, level of workings, direction and dip of strata, the position, direction, and extent of every known fault, the depth of every shaft and section of every seam. The Act applies to England, Scotland, Ireland, and Wales, and in the case of the appointment of inspectors of mines in Wales and Monmouthshire, a knowledge of the Welsh language is almost a necessity.

Inspection is also necessary under an Act to consolidate and amend the law relating to metallic mines, 1872, and other statutes. If loss of life, or injury, occurs to any person employed in or about the mine, the owner or agent must send notice to the Government inspector of the district within twenty-four hours. The notice must state whether the accident has arisen from explosion of gas, powder, or steam-boiler, or from any other accident, the number of persons killed or injured must be clearly stated. If a mine is opened or abandoned, the inspector must be informed, also in the following cases:—The opening of a new shaft, abandonment or discontinuance of a shaft, recommencement of work in a shaft, after a discontinuance of three months, and where there is a change of the name of the mine, or in the ownership, or in the agent. The notice need not be given, if less than five persons are ordinarily employed below ground.

The register of boys, young persons, women, and children, which is kept by the owner, must be produced to the inspector at all reasonable times. Once in each year the mine owner, or his agent, must send to the inspector a return containing the following particulars: The quantity of mineral sold or produced, the number of persons employed, distinguishing those who work above ground from

those who work below, the ages, sexes, and hours of labour of the workers. The forms to be filled up are supplied by the inspector. Disobedience to the rules above stated is an offence. An inspector has power to order, in writing, a mine to be fenced on the ground that it is specially dangerous.

Mine inspectors are appointed by a Secretary of State; the appointments are published in the *London Gazette*. The powers and duties of inspectors are similar to those conferred by the Coal Mines Act.

If an inspector sees anything dangerous or defective in a mine, even though the Act or the rules do not provide for it, he may give notice to the mine owner, and require the defect to be remedied. The owner may object, if so he must send his objection to the Secretary of State, who will cause the matter to be submitted to arbitration. Disobedience, after arbitration, is an offence. The owner or agent of the mine must keep an accurate plan of the workings, the plan must be not more than six months old, this plan must be produced to the inspector when he requires it. To conceal the plan, or not to mark it as desired by the inspector, or willfully to deceive the inspector, is an offence. If necessary, the inspector may require a plan to be prepared at the expense of the owner on a scale of not less than two chains to 1 in., or to any other scale approved. Disobedience is an offence.

Every inspector must make an annual report of his proceedings; this report is sent to a Secretary of State, and is laid before both Houses of Parliament. An inspector is always one of the parties in an arbitration; an inspector must be present at a coroner's inquest on a death from a mine accident. The coroner must send notice of the inquest to the inspector; the inspector may examine any witness. The ordinary rules, and special rules for working a mine, are all laid down in the Act, and it is the duty of the inspector to see that these rules are carried out. Special rules must be signed by the inspector, and sent to a Secretary of State. The special rules must be published in some conspicuous place in or near the mine, and must have the name and address of the inspector upon them. A copy of the rules must be supplied free to every person engaged in the mine who applies for the same. The Act extends to England, Wales, Scotland, Ireland, and the Isle of Man.

A slight amendment of the law was made in 1875, where every mine owner or agent is required to send to the district inspector on or before February 1st, in every year, a correct return of the amount of mineral sold or used, and other particulars as required by the principal Act.

By the Quarries Act, 1894, the inspectors appointed under the Metalliferous Mines Act shall also be inspectors of quarries. These inspectors also have the powers conferred upon them which are given to Government inspectors of factories and workshops.

INSPECTION OF PROPERTY.—Power is given to a judge of the High Court to order any person to report the land, or the house, or the personal property, of a person in order that justice may be done to him who seeks it. The judge has the right also to require the person to inspect the property, real or personal. A slave, or may be ordered by the judge to inspect certain property, and to report the result of his inspection. The object of giving this power to a judge is to enable a stranger to enter upon your lands or mine, against our will, perhaps, or

to examine and inspect our personal property. The theory of our law is that our property, real or personal, is sacred; an Englishman's house is his castle, therefore it can only be entered, against the wish of the owner, by the order of the court.

Inspection of the property of other people is ordered for all sorts of purposes, and occurs in many statutes. Entry may be made upon your land for the purpose of examining it, and for assessing its rateable value, or with a view to compulsory purchase from you, for some public purpose. The Trinity Brethren may go aboard a ship belonging to another person, when their visit is to do justice, or for the general good. Your food, drink, drugs, and clothing may all be inspected by properly appointed persons, who are on the look-out for adulteration, or for infectious disease. Houses and buildings may be entered and inspected to see if they are safe, or sanitary, or if they conform to building laws or by-laws. Factories, workshops, mines, quarries, and docks may all be inspected by properly appointed strangers, whose duty is laid down for them by statute. These inspectors may examine your property or mine, against our will, for the common good.

Factories or workshops are inspected for the following purposes: To see that there is sufficient air, sufficient light, sufficient space, sufficient lavatory accommodation; sufficient dryness or wetness, as the case may require. To see, further, that the machinery is made safe for the workers, that their hours are in accordance with law; that their meals shall be had in healthy and sanitary surroundings, and that, in dangerous trades, where the ingredients wrought upon are either poisonous, or hurtful in other ways, to see that every care shall be taken to minimise the danger to health and to life.

In mines and quarries, Government inspectors are appointed for many purposes, and among other things, to examine the shafts, the machinery, the dangers from fire-damp, from explosions, whether of gas or of steam boilers; to overlook the safety lamps, the labour, the firing of shots, and the explosives used; to inspect every part of the mine or quarry and all work therein, whether employer, or workman, or workwoman, or boy, or girl; to inspect all the machinery used, and to see that all things, animate and inanimate, conform to the particular statute by which they are governed and to report or direct as he may deem fit.

Inspectors of weights and measures are appointed to see that your weights and measures are true to the standard, so that the public may get a full pound weight when they ask for it, or a full yard measure. Inspectors of railways are appointed, not in the interest of the directors and shareholders, but for the benefit of the public; and the duty of these inspectors is to see that the ways are safe, the rolling stock safe, and the points and signals are all in order, and that every care is taken to protect human life from danger.

Under the Companies Acts, 1908-1917, the Board of Trade may appoint one or more competent inspectors to investigate the affairs of a company and to report to the Board's direction. Such inspections take place on application of shareholders and in proper case expenses are borne by the company.

All these various forms of the inspection of property are a direct interference with the liberty of the subject to do as he likes with his own. Statute law has modified this absolute right, and has required

that every person who owns property, real or personal, and employs labour, must do everything he reasonably can for the comfort and safety of the workers and the public. Statute law directly interferes with ownership of property; this statute law is passed by the legislature, at the request of the people themselves, and is a direct denial of the old saying, already quoted, that an Englishman's House is his castle. It is only so after the Government and other inspectors have done with it.

INSPECTION OF REGISTER.—By Section 30 of the Companies (Consolidation) Act, 1908, it is enacted that the register of the members of a joint stock company shall be open, during business hours, to the inspection of any member of the company gratis, and also to the inspection of any other person upon payment of 1s., or such smaller sum as the company may prescribe.

INSTALMENT.—One of the parts of a debt which is paid at any time different from any other part of the debt, or to the balance. It also means a payment on account. By the payment of one or more instalments, a debt is kept alive so as to prevent the Statute of Limitations running. Thus, the balance of any simple contract debt is always legally claimable, however old the debt itself, within six years from the payment of the last instalment.

INSTALMENT SYSTEM.—There has long been a system in existence of purchasing goods on credit, the payment for the same being made by periodical instalments, though this was formerly largely confined to traders who were known as tallymen. Clothes are one of the chief articles dealt in. The periodical payments continue until the debt is extinguished. After clothes, books began to be sold in a similar fashion. More recently the instalment system has been extended to all kinds of articles.

INSTANTER.—This is a term meaning "immediately," though in a legal sense it is sometimes asserted that it signifies that an act shall be done within twenty-four hours.

INSTITUTE OF BANKERS.—There are three Institutes in existence in the United Kingdom which are devoted to the interests of the banking community, and the objects of which are to assist its members in acquiring an efficient knowledge of the theory of banking. The oldest is that of Scotland, which was established in 1875. The Institute *par excellence*, viz., that of England, was founded in 1879, and Ireland followed, but with an Institute of its own in 1898. Lectures and discussions are the chief media through which the work is carried on, but each Institute has a Journal of its own, in which all points connected with banking are threshed out by the most expert financiers of the day.

INSTRUMENT.—This is the legal term applied to a bill, a cheque, a deed, or any document in writing by means of which some right or contract is expressed.

INSURABLE INTEREST.—In order that a person may legally effect any insurance in this country, he must possess some pecuniary interest in the thing insured. This is called his insurable interest, and the possession of this interest distinguishes a contract of insurance from one of wagering. To a certain extent this doctrine has recently been invaded upon, but the nature of this invasion is specially noted under each kind of insurance.

The statute 14 Geo. III. c. 48, was passed, in

(PROPOSAL FORM IN CASE OF THIRD PARTY RISKS)

- 1 Full Name of Proposer _____
- 2 Address _____
- 3 Occupation _____
- 4 State **maximum** number of Drivers in your employ _____
- 5 State Total Number of your Vehicles and Horses *No. of Vehicles* _____ *No. of Horses* _____
- 6 Do you require Accidents to be covered when you are driving? ☐ Yes ☐ No
- 7 Have you any Drivers in your employ under 18 years of age? ☐ Yes ☐ No

[illegible]

- 9 Are the above mentioned vehicle and harness in a perfect state of repair and where can they be inspected?
- 10 Have you any other vehicles or horses? If so give full details and state why they are not taken in mind
- 11 Are any of your animals vicious, or liable to bolt or have they ever to your knowledge bitten or kicked any one
- 12 (a) During the past three years have any claims been made upon you or by you in connection with the risks you are now making or (b) have any of your horses met with an accident? If so, give full particulars with dates
- 13 If the risk has been previously insured state with what company or Companies and whether renewal has been declined or an increase rate required
- 14 Any further information which may be of use to the risk

PARTICULARS OF INSURANCE REQUIRED

- (A) Third Party Indemnity
(B) Accidental Damage to own Vehicles
(C) Accidental Fatal Injury to own House

1774, to prevent a "mischievous kind of gaming," and enacted—

"(1) No insurance shall be made by any person or persons, bodies politic or corporate, on the life or lives of any person or persons, or on any other event or events whatsoever, wherein the person or persons for whose use, benefit, or on whose account such policy or policies shall be made, shall have no interest, or by way of gaming or wagering; and that every assurance made contrary to the true intent and meaning hereof shall be null and void to all intents and purposes whatsoever.

"(2) It shall not be lawful to make any policy or policies on the life or lives of any person or persons, or other event or events, without inserting in such policy or policies the person or persons, name or names interested therein, or for whose use, benefit, or on whose account such policy is so made or underwritten.

"(3) In all cases where the insured hath interest in such life or lives, event or events, no greater sum shall be recovered or received from the insurer or insurers than the amount or value of the interest of the insured in such life or lives, or other event or events."

The necessity of insurable interest in the case of marine insurance had been provided for in 1746 by the statute 19 Geo. I. c. 37.

In order to escape heavy losses which might otherwise fall upon them, insurance companies are in the habit of re-insuring whenever the risks are of a heavy character. One office has always a sufficient insurable interest in any property which has been insured with it to insure in another office.

INSURANCE.—For the sake of convenience, the whole subject of Insurance has been divided under separate headings, and reference must be made to the special articles on each of these for full information. For facility of cross-reference, it may be stated at once that the subject of Indemnity Insurance is subdivided as follows:—(1) Accountants' Indemnity, (2) Baggage, (3) Boiler, (4) Burglary, (5) Excess Bad Debts, (6) Fire, (7) Guarantee, (8) Live Stock, (9) Personal Accident, (10) Plate Glass, (11) Third Party Risks, (12) Workmen's Compensation. (See **INDEMNITY INSURANCE**.)

There are, however, a few matters which are common to all kinds of insurance, and these may be usefully noticed under the present article.

What is insurance? It is a contract whereby one person, called the insurer or assurer, undertakes to indemnify another person, called the insured or assured, against a loss which may arise, or to pay a sum of money to him on the happening of a certain specified event. The consideration for the contract is the premium, which may be either a single payment, or a series of payments extended over a fixed period of time. In the case of marine insurance, the name "underwriter" is generally used for the insurer or assurer.

The document in which the contract of insurance is contained is called the "policy of insurance."

In the article headed **INSURABLE INTEREST** it is pointed out that the pecuniary interest of the person insured is the thing which distinguishes him from a contract of insurance from a wagering contract.

There is one special particular in which a contract of insurance differs from every other kind of contract, and that is that there is required on the part of the insured a full and free disclosure of every circumstance which might influence the insurer in

undertaking the contract. Every material fact must be disclosed; it is not enough that there should be an absence of misrepresentation. If any information is withheld, the policy of insurance may be void. The reason for this full disclosure has been stated as follows: "One of the parties is presumed to have means of knowledge which are not accessible to the other, and is then bound to tell him everything which may be supposed likely to affect his judgment." Contracts which require this kind of full disclosure are said to be contracts *uberrimæ fidei* (qv).

The principle of insurance is, of course, founded on the doctrine of probabilities, all of which are carefully calculated by actuaries (qv).

INSURANCE AGENT. The person who, in general, represents an insurance company in procuring insurances. It is the common plan to pay him for his work by commission on the work accomplished, or by salary and commission.

Except in so far as special provisions are made by the terms of employment, the general rules of agency (qv) apply.

Care must, however, always be taken by the insured to see that the insurance agent is acting strictly on behalf of the company he represents and not on behalf of the insured. If the insurance agent does certain things, in the way of filling up the proposal, etc., for the insured, and false statements are contained therein, the policy may be void. An interesting case on this point is that of *Biggar v. Rock Life Assurance Company*, 1902, 1 K B 516. The head note is as follows: "A policy of insurance against accidental injury was effected with an insurance company through their local agent. The proposal form was filled up by the agent, many of the answers filled in by him being false in material respects; the false answers were inserted without the knowledge or authority of the applicant who signed the proposal form without reading it. The proposal contained a declaration in which the applicant agreed that the statements in the proposal should form the basis of the policy, and the policy contained a proviso that it was granted on the express condition of the truthfulness of the statements in the proposal. Shortly after payment of the premium the insured was accidentally injured. Held, first, that it was the duty of the applicant to read the answers in the proposal before signing it, and that he must have been taken to have read and adopted them; and, secondly, that in filling in the false answers in the proposal the agent was acting, not as the agent of the insurance company, but as the agent of the applicant, and that, therefore, the policy was void."

INSURANCE BROKER.—An agent who acts in effecting insurances on ships, cargoes, etc.

INSURANCE CERTIFICATE. This is a certificate which is sometimes found attached to a documentary bill, and is a declaration on the part of an insurance company that the goods named in the documentary bill are insured under a policy which also covers other goods. Such a certificate may also be given if the policy itself is not ready for delivery.

INSURANCE FUND.—This is a fund raised by various means, especially earmarked, to provide for any loss by fire, damage by workmen for accidents, damage of plate glass, and similar losses.

In many cases it is not considered the payment of premiums to insurance companies to cover these contingencies necessary, but at the same time to recognize the existence of the risk. They, therefore,

in effect become their own insurers, and charge the business with the amount which otherwise they would pay as premiums, but credit an account called an "Insurance Fund." These amounts are invested outside the business, and allowed to accumulate at compound interest until such a sum is provided as is considered adequate to cover the risks.

The chief difficulty in forming these funds occurs at the commencement of doing so, as at this time the risk is great and the fund small. This difficulty may be mitigated by insuring part of the risk with insurance companies until such time as the necessity for this ceases by the fund being of adequate amount.

To start the fund a fairly large sum is usually allocated from profit as the basis, as it is evident the amount payable in premiums would scarcely be a sufficient provision in the early stage of accumulating.

INSURANCE, INDEMNITY.—(See INDEMNITY INSURANCE.)

INSURANCE, LIFE.—(See LIFE INSURANCE.)

INSURANCE, MARINE.—(See MARINE INSURANCE.)

INSURANCE, NATIONAL.—(See NATIONAL INSURANCE.)

INSURANCE POLICY.—The document which sets out the terms upon which an insurance is effected. (See POLICY OF INSURANCE.)

INTANGIBLE ASSETS.—(See ASSETS.)

INTER-BORSE SECURITIES — INTERNATIONAL SECURITIES.—These are general terms for indicating securities, the loans for which were originally raised simultaneously in different countries. They are dealt in at a fixed rate of exchange, as indicated in the body of the bond. Consequently they can be bought or sold in different countries at practically the same prices.

INTERPUNCT.—This is a Scottish legal term, and it is used to express practically the same thing as an injunction (*q.v.*) in English law.

INTEREST.—The payment of interest is a result of the fact that people who desire to obtain the control of capital are more numerous than those who desire to devote themselves to the care and preservation of capital. One man who has a property right, that is a claim recognised by society to dispose freely of a portion of the wealth in existence, may not wish to exercise his right in the present. Another may wish to use in the present more property rights than he himself possesses, and he will be glad to avail himself of the property right of the first. And if the first has the precise amount that the second requires, no payment, for the loan of wealth could be exacted. The transfer of property rights, temporarily, from the one to the other would be simply a mutual convenience; and it is quite conceivable that people may wish to defer enjoyment of more wealth than other people wish to employ. In that case the property owners would have to pay someone who would take care of the property and undertake to restore it at a stipulated date, or on demand at some indefinite future time. Interest would then be negative. Usually, however, more property rights are required than would be available if the temporary use of them were gratuitous. To the great bulk of mankind a sovereign here and now is more eligible than a sovereign in the future or in a remote place. Money down is, reasonably enough, preferred to money some day. The owners of property are, therefore, in a position of advantage as

compared with the borrowers. They can exact a payment for their consent to alienate their property for a time. By the competition of borrowers they receive a reward for waiting, a payment for their abstinence from present enjoyment. This payment is interest. It is "pure" interest if the security for the alienated property is practically perfect, if the possibility of loss of the principal is so small as to be negligible. If not negligible, there will be along with "pure" interest a premium, which may rise to any amount, on account of the risk of loss involved.

From the borrower's point of view, interest is the payment he is obliged to make in order that he may have control over capital. He offers interest because he thinks he has skill enough to earn it; and the amount he is prepared to offer depends on his estimate of his ability. If he thinks that by the possession of a sum of money he can earn a profit of 10 per cent., he will be glad to pay 5 per cent. for the loan. The borrower obtains increased control over industry, the lender exchanges for a guarantee of periodical payments the power of control that property gives. The borrower has the chance of making big profits, the lender has the certainty of moderate gains. The lender has exchanged capital for income; the borrower guarantees income for capital.

The rate of interest will be such that the amount of capital required by those who wish to increase their power of controlling industry, will be supplied by those who are willing to part with their capital for a fixed and guaranteed consideration. The rate of interest will equalise the Demand and Supply of loans. As the rate goes higher the desire to accumulate becomes more intense. The payment of interest is the incentive to the use and increasing of property, and the greater the stimulus the greater the saving. Coupled with the increase of capital will be a decrease of the wish to control the capital. For as the difference between the rate of profit and the rate of interest becomes less, more capitalists will prefer a guaranteed payment of interest to the contingent earning of profits. From borrowers they will become lenders to the more sanguine capitalists. The increased supply of loans from the increased reward, aided by the decreased demand because of the diminution of the margin between profits and interest, speedily produces a market rate of interest which makes the capital offered for loan equal to the capital sought for at that rate. The converse occurs as the rate falls. The less the reward that can be had from savings, the less motive for accumulation; and if there is a great difference between interest and profits, any who would otherwise have been lenders will themselves undertake the risks, if not the labours, of business.

The sole reason for interest payment is that without it the demand for loans would exceed the supply. No curious theory of "reproductivity" is necessary to explain its existence. Capital cannot yield an income of itself and apart from the skill with which it is managed; interest is simply the part of fair profits paid by the active employers of capital to those who prefer to reap gains in passivity. But the annuitants, in the last resort, are dependent for their annuities on the enterprise, energy, and foresight of the directors of industry. The error revivied by Henry George is a very old one: "Supposing that in a country adapted to them I set out bees, at the end of a year I will

have more swarms of bees and the honey which they have made. Or supposing, where there is a range, I turn out sheep, or hogs, or cattle, at the end of the year I will, upon the average, also have an increase.

"Now, what gives the increase in these cases is the active power of Nature, the principle of growth, of reproduction, which everywhere characterises all the forms of that mysterious thing or condition which we call life, and it seems to me that it is this which is the cause of interest, or the increase of capital over and above that due to labour." It must, of course, be admitted that capital sometimes appears of itself to be productive. If, as Bentham said, a man expends a sum of money in the purchase of a bull and of a heifer, and if he finds himself, as the result, in a few years the possessor of a herd of cattle, it can hardly be said that his money has been "unproductive." "The wine in a rich man's cellar, the trees upon his mountains, the works of art in his gallery, will often acquire a vastly enhanced value by simple efflux of time." But in the great bulk of cases, labour and management are essential, if capital is to be productive so as to admit of the payment of interest. Capital is so much depreciating machinery or deteriorating materials unless an organisation—employer and workman—is at hand to utilise them and, as they are consumed, to replace them with an increase. The labourer—both the labourer who schemes and organises with his head and the labourer who merely carries out directions—is indispensable to the preservation of capital, but the necessity of capital to the labourer is, under our system, more immediately obvious. No living creature is quite so helpless as the labourer who has not access to means of production—tools and appropriate natural agents, including land. His own unaided efforts would not keep him alive a month.

The doctrine of the Middle Ages that loans should be free, and that the exaction of interest is an exploiting of labour by the drones of the community, is still not extinct. It is expressed by Ruskin, for example, in its most absolute form. To mark the criminality of lending money with a view to making profit, he calls the payment "usury," not "interest"; for interest, by its derivation ("it is profitable"), would imply that both lender and borrower gained from the loan. He denounces the folly of those who imagine that they can subsist in idleness upon usury. "Usury is properly the taking of money for the loan or use of anything (over and above what pays for wear and tear), such use involving no care or labour on the part of the lender. It includes all investments of capital whatsoever, retaining 'dividends,' as distinguished from labour wages, or profits. Thus anybody who works on a railroad as platelayer, or stoker, has a right to wages for his work, and any inspector of wheels or rails has a right to payment for such inspection; but the persons who have only paid a hundred pounds towards the road, and have a right to the return of the hundred pounds, and no more. If they take a farthing more, they are usurers. They may take fifty pounds for two years, twenty-five for four, five for twenty, or one for a hundred. But the first farthing they take more than their hundred, be it sooner or later, is 'usury.' How the increase investment of capital, which is the best guarantee of efficient public service, is to be secured under these conditions, is not manifest.

"Usury" he assures us, "is worse than theft, in so far as it is obtained either by deceiving people or distressing them, generally by both, and, finally, by deceiving the usurer himself, who comes to think that usury is a real increase, and that money can grow out of money; whereas all usury is increase to one person only by decrease to another; and every gain of calculated increment to the Rich is balanced by the mathematical equivalent of Decrement to the Poor." The idea is evidently that the creditor is a rich financier living on the gains from straggling debtors, but usually the great financiers are more debtors than creditors. The chief creditor class are those who live on past savings invested in "safe" lines, holders of life insurances, and wage earners and professional men, to whom the prospect of interest from their modest savings has been of the greatest public benefit. Economic restlessness has been removed by the approval on grounds of public policy of an interest system. In very many cases it would be the reverse of kindness and of distributive justice to encourage debtors at the expense of creditors.

But it is not necessary to bring forward remote reasons why interest should be paid. It would seem no more than reasonable that if a workman, by means of a machine, can provide ten times, perhaps a hundred times, more than without it, some portion of the increase should accrue to the capitalist who has provided the machine, and even if the loan is purely for consumption, the interest paid for it is the monetary make-weight to enable the future good to balance the present good—identical in all respects except time. We must add something to the value of an invitation to dine next year to make it equal to the dinner provided for us now. "A bird in the hand is worth two in the bush." Conversely, we give a future good—a bill at six months, for instance—for a present good, we are obliged to accept a less amount than we should have had in the future. The difference in value created by time is, here, Discount.

The proper answer to those who argue that loans should be gratuitous is, perhaps, that of Bastiat: "I give notice," he exclaims, "that henceforth I play the part of a borrower. That part is all gain. I shall borrow, free of charge, a fine house on the boulevards, well chosen furniture, and fifty thousand into the bargain. Doubtless my example will be infectious, and there will be plenty of borrowers in the world. Provided that there is no lack of lenders, we shall all lead a merry life."

The striking differences in the rates of interest at different times and in different places are simply in times of the operations of Demand and Supply. Increase in the vividness of future things is a mark of advancing civilisation, and in proportion as there is less difference in the mental image of *now* and *some time hence*, so the rate of interest will be less. The child, the savage, to whom the future is dim and vague, needs a great inducement to postpone the enjoyment of a present good; but the tendency to decrease in the rate of interest as civilisation advances is, to some extent, counteracted by the increased *cost* for investment afforded. As the demand for loans increases the rate of interest rises, and at times the counteracting force is strong enough to make head against the tendency of interest to a minimum, and for a while the rate rises.

The fluctuations in the rate over short intervals, fluctuations which are typical of a market so highly organized and sensitive as the Money Market is, depend mainly on the amount of the available loans in the hand of the professional money-lenders, bankers, and bill-brokers. A discussion of these variations will be found in the article MONEY MARKET AND TRADE.

INTEREST AND INTEREST TABLES.—Interest is money paid for the use of money. It is generally calculated at a certain rate per annum. The money lent is called the principal; the sum per cent. or per hundred agreed upon is the rate of interest.

Though it is true to say that the interest charged is the money agreed to be paid for the use of money, it is nevertheless divisible into two parts, for the rate charged increases as the risk undertaken is greater. Hence, one portion is for the use of the money, the remainder being a compensation for the chance of losing the whole owing to the insecurity of the investment.

Simple interest is computed upon the principal only, and is invariable. Compound interest is calculated upon the principal and upon any interest which has accrued due and has not been paid. Compound interest is not favoured by law, since it is the duty of a creditor to demand his interest as soon as it becomes due.

Unless agreed upon by the parties, no interest is allowed by the court except in the following cases—

- (1) Where there is a usage of trade
- (2) Where interest is specially given by a jury.
- (3) When a judgment is not immediately satisfied.

Time at which Money doubles itself at Interest.

(a) *Simple Interest.* Divide 100 by the rate per cent. The quotient gives the number of years.

(b) *Compound Interest.* Divide 70 by the rate per cent. The quotient gives the number of years.

The above is a ready method of calculation, and the result will be sufficiently accurate for all general purposes. More correctly it is as follows, calculating from 1 to 10 per cent.—

Rate per cent.	Simple Interest.	Compound Interest.
2	50 years	35 years 1 day
2½	40 "	28 " 26 days
3	33 " 4 months	23 " 164 "
3½	28 " 208 days	20 " 54 "
4	25 " "	17 " 246 "
4½	22 " 8½ days	15 " 273 "
5	20 " "	14 " 75 "
6	16 " 8 months	11 " 327 "
7	14 " 104 days	10 " 89 "
8	12½ " "	9 " 2 "
9	11 " 40 days	8 " 16 "
10	10 " "	7 " 100 "

Simple Interest Table. The following table shows how to calculate the simple interest on any amount at any rate of interest for any number of days. The interest is calculated upon £100 at 2 per cent., 3 per cent., 4 per cent., and 5 per cent. To find the interest at any other rate, multiples or parts of each of these must be taken. Thus for 4½ per cent., take 4 per cent. and add one-eighth of the same. For 12½ per cent., add 5 per cent., 4 per cent., 3 per cent., and one-twelfth of 4 per cent.

Examples. (a) What is the simple interest on £140 for 79 days at 4½ per cent.?

	£	s.	d.
On £100 for 79 days at 4 % the interest is	0	17	3½
On £100 for 79 days at ½ % the interest is	0	1	1
(i.e., one-eighth of 2 %)			
	£0	18	4½

∴ the interest on £140 is $\frac{11}{10} \times 18s. 4\frac{1}{2}d. =$ £1 5s. 9d.

(b) Find the simple interest on £92 for 135 days at 3½ per cent.

	£	s.	d.
On £100 for 135 days at 3 % the interest is	1	2	2½
On £100 for 135 days at ½ % the interest is	0	3	8½
(i.e., one-sixth of 3 %)			
	£1	5	10½

∴ the interest on £92 is $\frac{11}{10} \times$ £1 5s. 10½d. = £1 3s. 9½d.

Interest on £100 at 2 per cent., 3 per cent., 4 per cent., and 5 per cent. for any number of days from 1 to 365 calculated to the nearest farthing.

Days	2%	3%	4%	5%
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1	0 0 1½	0 0 2	0 0 2½	0 0 3½
2	0 0 2½	0 0 4	0 0 5½	0 0 6½
3	0 0 4	0 0 6	0 0 8	0 0 10
4	0 0 5½	0 0 8	0 0 10½	0 0 11½
5	0 0 6½	0 0 10	0 0 11½	0 0 14½
6	0 0 8	0 0 11½	0 0 13½	0 0 17½
7	0 0 9½	0 0 13½	0 0 16	0 0 19
8	0 0 10½	0 0 15	0 0 18	0 0 22½
9	0 0 11½	0 0 16½	0 0 20	0 0 25½
10	0 0 13	0 0 18	0 0 22½	0 0 29
11	0 0 14	0 0 19½	0 0 24	0 0 32½
12	0 0 15½	0 0 21	0 0 26	0 0 36
13	0 0 16½	0 0 22½	0 0 28	0 0 39
14	0 0 18	0 0 24	0 0 30	0 0 42½
15	0 0 19½	0 0 25½	0 0 32	0 0 46
16	0 0 21	0 0 27	0 0 34	0 0 49½
17	0 0 22½	0 0 28½	0 0 36	0 0 53
18	0 0 24	0 0 30	0 0 38	0 0 56½
19	0 0 25½	0 0 31½	0 0 40	0 0 60
20	0 0 27	0 0 33	0 0 42	0 0 63½
21	0 0 28½	0 0 34½	0 0 44	0 0 67
22	0 0 30	0 0 36	0 0 46	0 0 70½
23	0 0 31½	0 0 37½	0 0 48	0 0 74
24	0 0 33	0 0 39	0 0 50	0 0 77½
25	0 0 34½	0 0 40½	0 0 52	0 0 81
26	0 0 36	0 0 42	0 0 54	0 0 84½
27	0 0 37½	0 0 43½	0 0 56	0 0 88
28	0 0 39	0 0 45	0 0 58	0 0 91½
29	0 0 40½	0 0 46½	0 0 60	0 0 95
30	0 0 42	0 0 48	0 0 62	0 0 98½
31	0 0 43½	0 0 49½	0 0 64	0 0 102
32	0 0 45	0 0 51	0 0 66	0 0 105½
33	0 0 46½	0 0 52½	0 0 68	0 0 109
34	0 0 48	0 0 54	0 0 70	0 0 112½
35	0 0 49½	0 0 55½	0 0 72	0 0 116
36	0 0 51	0 0 57	0 0 74	0 0 119½
37	0 0 52½	0 0 58½	0 0 76	0 0 123
38	0 0 54	0 0 60	0 0 78	0 0 126½
39	0 0 55½	0 0 61½	0 0 80	0 0 130
40	0 0 57	0 0 63	0 0 82	0 0 133½

INT

AND DICTIONARY OF COMMERCE

INT

Days	2°	3°	4°	5°	Days	2°	3°					
<i>l</i>	<i>s</i>	<i>d</i>	<i>l</i>	<i>s</i>	<i>d</i>	<i>l</i>	<i>s</i>	<i>d</i>	<i>l</i>	<i>s</i>	<i>d</i>	
41	0	4	6	0	6	9	0	8	11	0	11	23
42	0	4	7	0	6	11	0	9	23	0	11	6
43	0	4	8	0	7	03	0	9	5	0	11	9
44	0	4	10	0	7	23	0	9	7	0	12	03
45	0	4	11	0	7	43	0	9	10	0	12	4
46	0	5	03	0	7	63	0	10	1	0	12	7
47	0	5	13	0	7	83	0	10	33	0	12	10
48	0	5	33	0	7	103	0	10	63	0	13	1
49	0	5	43	0	8	03	0	10	9	0	13	5
50	0	5	53	0	8	23	0	10	11	0	13	8
51	0	5	7	0	8	43	0	11	23	0	13	11
52	0	5	83	0	8	63	0	11	43	0	14	3
53	0	5	93	0	8	83	0	11	73	0	14	63
54	0	5	11	0	8	103	0	11	10	0	14	93
55	0	6	03	0	9	03	0	12	03	0	15	03
56	0	6	13	0	9	23	0	12	33	0	15	43
57	0	6	3	0	9	43	0	12	6	0	15	73
58	0	6	43	0	9	63	0	12	83	0	15	103
59	0	6	53	0	9	83	0	12	11	0	16	2
60	0	6	7	0	9	103	0	13	13	0	16	53
61	0	6	83	0	10	03	0	13	43	0	16	83
62	0	6	93	0	10	23	0	13	7	0	16	113
63	0	6	11	0	10	43	0	13	93	0	17	33
64	0	7	03	0	10	63	0	14	03	0	17	63
65	0	7	13	0	10	83	0	14	3	0	17	93
66	0	7	23	0	10	103	0	14	53	0	18	1
67	0	7	43	0	11	03	0	14	83	0	18	43
68	0	7	53	0	11	23	0	14	11	0	18	73
69	0	7	63	0	11	43	0	15	13	0	18	11
70	0	7	8	0	11	6	0	15	43	0	19	23
71	0	7	93	0	11	8	0	15	63	0	19	53
72	0	7	103	0	11	10	0	15	93	0	19	83
73	0	8	0	0	12	0	0	16	0	0	20	0
74	0	8	13	0	12	2	0	16	23	0	20	33
75	0	8	23	0	12	4	0	16	53	0	20	63
76	0	8	4	0	12	6	0	16	8	0	21	0
77	0	8	53	0	12	8	0	16	103	0	21	13
78	0	8	63	0	12	10	0	17	13	0	21	43
79	0	8	8	0	12	11	0	17	33	0	21	73
80	0	8	93	0	13	1	0	17	63	0	22	1
81	0	8	103	0	13	33	0	17	9	0	22	23
82	0	8	113	0	13	53	0	17	11	0	22	53
83	0	9	1	0	13	73	0	18	2	0	22	9
84	0	9	23	0	13	93	0	18	5	0	23	03
85	0	9	33	0	13	11	0	18	73	0	23	33
86	0	9	5	0	14	1	0	18	103	0	23	63
87	0	9	63	0	14	3	0	19	0	0	23	10
88	0	9	73	0	14	53	0	19	3	0	24	13
89	0	9	9	0	14	73	0	19	6	0	24	43
90	0	9	103	0	14	93	0	19	83	0	24	8
91	0	9	113	0	14	11	0	19	11	0	25	13
92	0	10	1	0	15	1	0	20	0	0	25	43
93	0	10	23	0	15	33	0	20	3	0	25	73
94	0	10	33	0	15	53	0	20	7	0	25	103
95	0	10	5	0	15	73	0	21	0	0	26	0
96	0	10	63	0	15	93	0	21	3	0	26	33
97	0	10	73	0	16	1	0	21	6	0	26	63
98	0	10	9	0	16	33	0	21	9	0	27	0
99	0	10	103	0	16	53	0	22	2	0	27	33
100	0	10	113	0	16	73	0	22	5	0	27	63
101	0	11	0	0	16	93	0	22	8	0	28	0
102	0	11	23	0	16	11	0	23	1	0	28	33
103	0	11	33	0	16	13	0	23	4	0	28	63
104	0	11	43	0	17	1	0	23	7	0	29	0
105	0	11	53	0	17	33	0	23	10	0	29	33
106	0	11	7	0	17	5	0	24	1	0	29	63
107	0	11	83	0	17	7	0	24	4	0	30	0
108	0	11	10	0	17	9	0	24	7	0	30	33
109	0	11	11	0	17	11	0	24	10	0	30	63
110	0	12	0	0	18	1	0	25	0	0	31	0
111	0	12	2	0	18	3	0	25	3	0	31	33
112	0	12	33	0	18	5	0	25	6	0	31	63
113	0	12	43	0	18	7	0	25	9	0	32	0
114	0	12	6	0	18	9	0	25	12	0	32	33
115	0	12	73	0	18	11	0	25	15	0	32	63
116	0	12	83	0	19	0	0	26	0	0	33	0
117	0	12	10	0	19	23	0	26	3	0	33	33
118	0	12	11	0	19	43	0	26	6	0	33	63
119	0	13	0	0	19	63	0	26	9	0	34	0
120	0	13	1	0	19	83	0	26	12	0	34	33
121	0	13	33	0	19	103	0	26	15	0	34	63
122	0	13	43	0	20	0	0	27	0	0	35	0
123	0	13	53	0	20	23	0	27	3	0	35	33
124	0	13	7	0	20	43	0	27	6	0	35	63
125	0	13	83	0	20	63	0	27	9	0	36	0
126	0	13	93	0	20	83	0	27	12	0	36	33
127	0	13	11	0	21	0	0	28	0	0	36	63
128	0	13	11	0	21	23	0	28	3	0	37	0
129	0	14	1	0	21	43	0	28	6	0	37	33
130	0	14	3	0	21	63	0	28	9	0	37	63
131	0	14	43	0	21	83	0	28	12	0	38	0
132	0	14	53	0	21	103	0	28	15	0	38	33
133	0	14	7	0	22	0	0	29	0	0	38	63
134	0	14	83	0	22	23	0	29	3	0	39	0
135	0	14	93	0	22	43	0	29	6	0	39	33
136	0	14	11	0	22	63	0	29	9	0	39	63
137	0	15	0	0	22	83	0	30	0	0	40	0
138	0	15	1	0	22	103	0	30	3	0	40	33
139	0	15	23	0	23	0	0	30	6	0	40	63
140	0	15	43	0	23	23	0	30	9	0	41	0
141	0	15	53	0	23	43	0	30	12	0	41	33
142	0	15	63	0	23	63	0	30	15	0	41	63
143	0	15	8	0	23	83	0	31	0	0	42	0
144	0	15	93	0	23	103	0	31	3	0	42	33
145	0	15	103	0	24	0	0	31	6	0	42	63
146	0	16	0	0	24	23	0	31	9	0	43	0
147	0	16	13	0	24	43	0	31	12	0	43	33
148	0	16	23	0	24	63	0	31	15	0	43	63
149	0	16	4	0	24	83	0	32	0	0	44	0
150	0	16	53	0	24	103	0	32	3	0	44	33
151	0	16	63	0	25	0	0	32	6	0	44	63
152	0	16	8	0	25	23	0	32	9	0	45	0
153	0	16	93	0	25	43	0	32	12	0	45	33
154	0	16	103	0	25	63	0	32	15	0	45	63
155	0	16	113	0	25	83	0	33	0	0	46	0
156	0	17	1	0	25	103	0	33	3	0	46	33
157	0	17	23	0	26	0	0	33	6	0	46	63
158	0	17	33	0	26	23	0	33	9	0	47	0
159	0	17	5	0	26	43	0	33	12	0	47	33
160	0	17	63	0	26	63	0	33	15	0	47	63
161	0	17	73	0	26	83	0	34	0	0	48	0
162	0	17	9	0	26	103	0	34	3	0	48	33
163	0	17	103	0	27	0	0	34	6	0	48	63
164	0	17	113	0	27	23	0	34	9	0	49	0
165	0	18	1	0	27	43	0	34	12	0	49	33
166	0	18	23	0	27	63	0	34	15	0	49	63
167	0	18	4	0	27	83	0	35	0	0	50	0
168	0	18	53	0	27	103	0	35	3	0	50	33
169	0	18	63	0	28	0	0	35	6	0	50	63
170	0	18	73	0	28	23	0	35	9	0	51	0
171	0	18	9	0	28	43	0	35	12	0	51	33
172	0	18	103	0	28	63	0	35	15	0	51	63
173	0	18	113	0	29	0	0	36	0	0	52	0

Days	2%	3%	4%	5%	Days	2%	3%	4%	5%
175	£ s. d.	£ s. d.	£ s. d.	£ s. d.	242	£ s. d.	£ s. d.	£ s. d.	£ s. d.
176	0 19 2½	1 8 9½	1 18 4½	2 7 11½	243	1 6 6½	1 19 9½	2 13 0½	3 6 3½
177	0 19 3½	1 8 11½	1 18 7	2 8 2½	244	1 6 7½	1 19 11½	2 13 3½	3 6 7
178	0 19 4½	1 9 1½	1 18 9½	2 8 6	245	1 6 9	2 0 1½	2 13 5½	3 6 10½
179	0 19 5½	1 9 3½	1 19 0½	2 8 9½	246	1 6 10½	2 0 3½	2 13 8½	3 7 1½
180	0 19 6½	1 9 5	1 19 2½	2 9 0½	247	1 6 11½	2 0 5½	2 13 11½	3 7 4½
181	0 19 7½	1 9 7	1 19 5½	2 9 3½	248	1 7 0½	2 0 7½	2 14 1½	3 7 8
182	0 19 8½	1 9 9	1 19 8	2 9 7	249	1 7 2½	2 0 9½	2 14 4½	3 7 11½
183	0 19 10	1 9 11	1 19 10½	2 9 10½	250	1 7 3½	2 0 11½	2 14 7	3 8 2½
184	1 0 0½	1 10 1	2 0 1½	2 10 1½	251	1 7 4½	2 1 1½	2 14 9½	3 8 6
185	1 0 2	1 10 3	2 0 4	2 10 5	252	1 7 6	2 1 3½	2 15 0½	3 8 9½
186	1 0 3½	1 10 5	2 0 6½	2 10 8½	253	1 7 7½	2 1 5	2 15 2½	3 9 0½
187	1 0 4½	1 10 7	2 0 9½	2 10 11½	254	1 7 8½	2 1 7	2 15 5½	3 9 3½
188	1 0 6	1 10 9	2 0 11½	2 11 2½	255	1 7 10	2 1 9	2 15 8	3 9 7
189	1 0 7½	1 10 11	2 1 2½	2 11 6	256	1 7 11½	2 1 11	2 15 10½	3 9 10½
190	1 0 8½	1 11 0½	2 1 5	2 11 9½	257	1 8 0½	2 2 1	2 16 1½	3 10 1½
191	1 0 10	1 11 2½	2 1 7½	2 12 0½	258	1 8 2	2 2 3	2 16 4	3 10 5
192	1 0 11½	1 11 4½	2 1 10½	2 12 4	259	1 8 3½	2 2 5	2 16 6½	3 10 8½
193	1 1 0½	1 11 6½	2 2 1	2 12 7½	260	1 8 4½	2 2 7	2 16 9½	3 10 11½
194	1 1 1½	1 11 8½	2 2 3½	2 12 10½	261	1 8 6	2 2 9	2 16 11½	3 11 2½
195	1 1 3	1 11 10½	2 2 6	2 13 1½	262	1 8 7½	2 2 11	2 17 2½	3 11 6
196	1 1 4½	1 12 0½	2 2 9	2 13 5	263	1 8 8½	2 3 0½	2 17 5	3 11 9½
197	1 1 5½	1 12 2½	2 2 11½	2 13 8½	264	1 8 10	2 3 2½	2 17 7½	3 12 0½
198	1 1 7	1 12 4½	2 3 2½	2 13 11½	265	1 8 11½	2 3 4½	2 17 10½	3 12 4
199	1 1 8½	1 12 6½	2 3 4½	2 14 3	266	1 9 0½	2 3 6½	2 18 1	3 12 7½
200	1 1 9½	1 12 8½	2 3 7½	2 14 6½	267	1 9 1½	2 3 8½	2 18 3½	3 12 10½
201	1 1 11	1 12 10½	2 3 10	2 14 9½	268	1 9 3½	2 3 10½	2 18 6½	3 13 1½
202	1 1 2 0½	1 13 0½	2 4 0½	2 15 0½	269	1 9 4½	2 4 0½	2 18 9	3 13 5
203	1 1 2 1½	1 13 2½	2 4 3½	2 15 4½	270	1 9 5½	2 4 2½	2 18 11½	3 13 8½
204	1 1 2 3	1 13 4½	2 4 6	2 15 7½	271	1 9 7	2 4 4½	2 19 2½	3 13 11½
205	1 1 2 4½	1 13 6½	2 4 8½	2 15 10½	272	1 9 8½	2 4 6½	2 19 4½	3 14 3
206	1 1 2 5½	1 13 8½	2 4 11½	2 16 2	273	1 9 9½	2 4 8½	2 19 7½	3 14 6½
207	1 1 2 7	1 13 10½	2 5 1½	2 16 5½	274	1 9 11	2 4 10½	2 19 10	3 14 9½
208	1 1 2 8½	1 14 0½	2 5 4½	2 16 8½	275	1 10 0½	2 5 0½	3 0 0½	3 15 0½
209	1 1 2 9½	1 14 2½	2 5 7	2 16 11½	276	1 10 1½	2 5 2½	3 0 3½	3 15 4½
210	1 1 2 11	1 14 4½	2 5 9½	2 17 3½	277	1 10 3	2 5 4½	3 0 6	3 15 7½
211	1 1 3 0½	1 14 6½	2 6 0½	2 17 6½	278	1 10 4½	2 5 6½	3 0 8½	3 15 10½
212	1 1 3 1½	1 14 8½	2 6 3	2 17 9½	279	1 10 5½	2 5 8½	3 0 11½	3 16 2
213	1 1 3 2½	1 14 10½	2 6 5½	2 18 1	280	1 10 7	2 5 10½	3 1 1½	3 16 5½
214	1 1 3 4	1 15 0½	2 6 8½	2 18 4½	281	1 10 8½	2 6 0½	3 1 4½	3 16 8½
215	1 1 3 5½	1 15 2½	2 6 11	2 18 7½	282	1 10 9½	2 6 2½	3 1 7	3 16 11½
216	1 1 3 6½	1 15 4½	2 7 1½	2 18 11	283	1 10 11	2 6 4½	3 1 9½	3 17 3
217	1 1 3 8	1 15 6	2 7 4½	2 19 2½	284	1 11 0½	2 6 6½	3 2 0½	3 17 6½
218	1 1 3 9½	1 15 8	2 7 6½	2 19 5½	285	1 11 1½	2 6 8½	3 2 3	3 17 9½
219	1 1 3 10½	1 15 10	2 7 9½	2 19 8½	286	1 11 2½	2 6 10½	3 2 5½	3 18 1
220	1 1 4 0	1 16 0	2 8 0	3 0 0	287	1 11 4½	2 7 0½	3 2 8½	3 18 4
221	1 1 4 1	1 16 2	2 8 2½	3 0 3½	288	1 11 5½	2 7 2½	3 2 11	3 18 7
222	1 1 4 2½	1 16 4	2 8 5½	3 0 6½	289	1 11 6½	2 7 4½	3 3 1½	3 18 11
223	1 1 4 4	1 16 6	2 8 8	3 0 10	290	1 11 7½	2 7 6½	3 3 4½	3 19 2½
224	1 1 4 5½	1 16 8	2 8 10½	3 1 1½	291	1 11 9	2 7 8	3 3 7½	3 19 5½
225	1 1 4 6½	1 16 10	2 9 1½	3 1 4½	292	1 11 10½	2 7 10	3 3 10½	3 19 8½
226	1 1 4 8	1 16 11½	2 9 3½	3 1 7½	293	1 12 0	2 8 0	3 4 0	4 0 0
227	1 1 4 9½	1 17 1	2 9 6½	3 1 11	294	1 12 1½	2 8 2	3 4 3	4 0 3
228	1 1 4 11	1 17 3½	2 9 9½	3 2 2½	295	1 12 2½	2 8 4	3 4 5½	4 0 6
229	1 1 4 11½	1 17 5½	2 9 11½	3 2 5½	296	1 12 4	2 8 6	3 4 8	4 0 10
230	1 1 5 1	1 17 7½	2 10 2½	3 2 9	297	1 12 5½	2 8 8	3 4 10½	4 1 1
231	1 1 5 2½	1 17 9½	2 10 5	3 3 0½	298	1 12 6½	2 8 10	3 5 1½	4 1 4
232	1 1 5 3½	1 17 11½	2 10 7½	3 3 3½	299	1 12 8	2 8 11½	3 5 4½	4 1 7
233	1 1 5 5	1 18 1	2 10 10½	3 3 6½	300	1 12 9½	2 9 1½	3 5 6½	4 1 11
234	1 1 5 6½	1 18 3½	2 11 0½	3 3 10	301	1 12 10½	2 9 3½	3 5 9	4 2 2
235	1 1 5 7½	1 18 5½	2 11 3½	3 4 1½	302	1 12 11½	2 9 5½	3 5 1½	4 2 5
236	1 1 5 9	1 18 7½	2 11 6	3 4 4½	303	1 12 13	2 9 7½	3 6 2½	4 2 9
237	1 1 5 10½	1 18 9½	2 11 8½	3 4 8	304	1 13 1	2 9 9½	3 6 5	4 3 0
238	1 1 5 11½	1 18 11½	2 11 11½	3 4 11½	305	1 13 2½	2 9 11½	3 6 7½	4 3 3
239	1 1 6 1	1 19 1	2 12 2	3 5 2½	306	1 13 4	2 10 1½	3 6 10½	4 3 6
240	1 1 6 2½	1 19 3½	2 12 4½	3 5 5½	307	1 13 5½	2 10 3½	3 7 0½	4 3 10
241	1 1 6 4	1 19 5½	2 12 7½	3 5 9	308	1 13 7	2 10 5½	3 7 3½	4 4 1
	1 1 6 5	1 19 7½	2 12 10	3 6 0½		1 13 9	2 10 7½	3 7 6	4 4 4

Days	2%	3%	4%	5%
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
309	1 13 10½	2 10 9½	3 7 8½	4 4 8
310	1 13 11½	2 10 11½	3 7 11½	4 4 11½
311	1 14 2½	2 11 1½	3 8 2	4 5 2½
312	1 14 2½	2 11 3½	3 8 4½	4 5 5½
313	1 14 3½	2 11 5½	3 8 7½	4 5 9
314	1 14 5	2 11 7½	3 8 10	4 6 0½
315	1 14 6½	2 11 9½	3 9 0½	4 6 3½
316	1 14 7½	2 11 11½	3 9 3½	4 6 7
317	1 14 9	2 12 1½	3 9 5½	4 6 10½
318	1 14 10½	2 12 3½	3 9 8½	4 7 1½
319	1 14 11½	2 12 5½	3 9 11	4 7 4½
320	1 15 0½	2 12 7½	3 10 1½	4 7 8
321	1 15 2½	2 12 9½	3 10 4½	4 7 11½
322	1 15 3½	2 12 11½	3 10 7	4 8 2½
323	1 15 4½	2 13 1½	3 10 9½	4 8 6
324	1 15 6	2 13 3½	3 11 0½	4 8 9½
325	1 15 7½	2 13 5	3 11 2½	4 9 0½
326	1 15 8½	2 13 7	3 11 5½	4 9 3½
327	1 15 10	2 13 9	3 11 8	4 9 7
328	1 15 11½	2 13 11	3 11 10½	4 9 10½
329	1 16 0½	2 14 1	3 12 1½	4 10 1½
330	1 16 2	2 14 3	3 12 4	4 10 5
331	1 16 3½	2 14 5	3 12 6½	4 10 8½
332	1 16 4½	2 14 7	3 12 9½	4 10 11½
333	1 16 6	2 14 9	3 12 11½	4 11 2½
334	1 16 7½	2 14 11	3 13 2½	4 11 6
335	1 16 8½	2 15 0½	3 13 5	4 11 9½
336	1 16 10	2 15 2½	3 13 7½	4 12 0½
337	1 16 11½	2 15 4½	3 13 10½	4 12 4
338	1 17 0½	2 15 6½	3 14 1	4 12 7½
339	1 17 1½	2 15 8½	3 14 3½	4 12 10½
340	1 17 3½	2 15 10½	3 14 6½	4 13 1½
341	1 17 4½	2 16 0½	3 14 9	4 13 5
342	1 17 5½	2 16 2½	3 14 11½	4 13 8½
343	1 17 7	2 16 4½	3 15 2½	4 13 11½
344	1 17 8½	2 16 6½	3 15 4½	4 13 15
345	1 17 9½	2 16 8½	3 15 7½	4 14 6½
346	1 17 11	2 16 10½	3 15 10	4 14 9½
347	1 18 0½	2 17 0½	3 16 0½	4 15 0½
348	1 18 1½	2 17 2½	3 16 3½	4 15 4½
349	1 18 3	2 17 4½	3 16 6	4 15 7½
350	1 18 4½	2 17 6½	3 16 9	4 15 10½
351	1 18 5½	2 17 8½	3 16 11½	4 16 2
352	1 18 7	2 17 10½	3 17 1	4 16 5½
353	1 18 8½	2 18 0½	3 17 4	4 16 8½
354	1 18 9½	2 18 2½	3 17 7	4 16 11½
355	1 18 11	2 18 4½	3 17 9½	4 17 3
356	1 19 0½	2 18 6½	3 18 1	4 17 6½
357	1 19 1½	2 18 8½	3 18 4	4 17 9½
358	1 19 2½	2 18 10½	3 18 7	4 18 1
359	1 19 4½	2 19 0½	3 18 10½	4 18 4½
360	1 19 5½	2 19 2½	3 18 13	4 18 7½
361	1 19 6½	2 19 4½	3 19 1	4 18 11
362	1 19 8	2 19 6	3 19 4	4 19 2½
363	1 19 9½	2 19 8	3 19 6½	4 19 5½
364	1 19 10½	2 19 10	3 19 9½	4 19 8½
365	2 0 0	3 0 0	4 0 0	5 0 0

Compound Interest.

TABLE I.

This table shows the amount to which £1 accumulates at different percentages for any number of years from 1 to 60, correct to four places of decimals. From the table it will be possible to calculate the amount of any sum at any of the six

rates of interest here given for any number of years up to 60, and also at other rates by means of multiplication or division.

Examples. (a) What is the amount to which £100 will accumulate at compound interest in 15 years at 4½ per cent?

£1 in 15 years at 4½ per cent amounts to £1.9353.
 £100 will amount to £1.9353 × 100 = £193.53 = £193 10s. 7d.

(b) What sum of money, invested at compound interest at 4 per cent, will amount to £1,000 in 25 years?

£1 in 25 years at 4 per cent amounts to £2.6658.
 Sum required is £1,000 ÷ 2.6658 = £375 2s. 5½d.

(c) A father wishes to provide a sum of £1,000 for his son when the latter reaches the age of 21. What sum must be invest, at 2½ per cent, at the child's birth, to secure this amount?

£1 in 21 years at 2½ per cent amounts to £1.6796.
 Sum required is £1,000 ÷ 1.6796 = £595 7s. 7d.
 (For Table I, see next page.)

TABLE II.

This table shows the sum to which an annuity of £1 per annum amounts at different percentages for any number of years from 1 to 60, correct to four places of decimals. From this table it will be possible to calculate the sum of any annuity at any of the six rates of interest here given for any number of years up to 60, and also at other rates by multiplication or division.

Examples. (a) What is the sum of an annuity of £260 at 3 per cent in 52 years?

An annuity of £1 at 3 per cent in 52 years amounts to £121.6963.
 £260 will amount to £121.6963 × 260 = £31,641 0s. 9d.

(b) By what equal annual instalments must a loan of £5,000 borrowed at 5 per cent be repaid, the number of such instalments being 12?

Rule. Multiply the sum borrowed by the figures given in Table I, and divide the result by the figures given in Table II.

The amount of £1 for 12 years at 5 per cent is £1.7959.

The value of an annuity of £1 for 12 years at 5 per cent is £15.9171.

Annual instalment is

$$5,000 \div 1.7959 =$$

$$2,784 2s. 10d.$$

$$15.9171$$

(c) A man borrows £100 at 4 per cent compound interest, and agrees to pay the same back by equal annual instalments. What is the amount of each instalment?

The amount of £1 for 6 years at 4 per cent is £1.2653.

The value of an annuity of £1 for 6 years at 4 per cent is £6.6329.

Annual instalment is

$$100 \div 6.6329 =$$

$$15 18 19s. 11d.$$

$$6.6329$$

Note. If the money is payable at the beginning instead of at the end of the year, the amount for the following year must be taken and £1 deducted. Thus, for £1 at 2½ per cent for 50 years, take £1.999215, and deduct £1 = £99.9215.
 (See also EXPLANATION OF TABLES.) (For Table II, see page 395.)

TABLE I.

Years	2½ per cent.	3 per cent.	3½ per cent.	4 per cent.	4½ per cent.	5 per cent.	Years.
1	1 0250	1 0300	1 0350	1 0400	1 0450	1 0500	1
2	1 0506	1 0609	1 0712	1 0816	1 0920	1 1025	2
3	1 0769	1 0927	1 1087	1 1249	1 1412	1 1576	3
4	1 1038	1 1256	1 1475	1 1699	1 1925	1 2155	4
5	1 1314	1 1593	1 1877	1 2167	1 2462	1 2763	5
6	1 1597	1 1941	1 2293	1 2653	1 3023	1 3401	6
7	1 1887	1 2299	1 2723	1 3159	1 3609	1 4071	7
8	1 2181	1 2668	1 3168	1 3686	1 4221	1 4775	8
9	1 2489	1 3048	1 3629	1 4233	1 4861	1 5513	9
10	1 2801	1 3439	1 4106	1 4802	1 5530	1 6289	10
11	1 3121	1 3842	1 4510	1 5395	1 6229	1 7103	11
12	1 3449	1 4258	1 5111	1 6010	1 6959	1 7959	12
13	1 3785	1 4685	1 5640	1 6651	1 7722	1 8856	13
14	1 4130	1 5126	1 6187	1 7317	1 8519	1 9799	14
15	1 4483	1 5580	1 6753	1 8009	1 9353	2 0789	15
16	1 4845	1 6047	1 7340	1 8730	2 0221	2 1829	16
17	1 5216	1 6528	1 7947	1 9479	2 1134	2 2920	17
18	1 5597	1 7024	1 8575	2 0258	2 2085	2 4066	18
19	1 5987	1 7535	1 9225	2 1068	2 3079	2 5270	19
20	1 6386	1 8061	1 9898	2 1911	2 4117	2 6533	20
21	1 6796	1 8603	2 0594	2 2788	2 5202	2 7860	21
22	1 7216	1 9161	2 1315	2 3699	2 6337	2 9253	22
23	1 7646	1 9736	2 2061	2 4647	2 7522	3 0715	23
24	1 8087	2 0328	2 2833	2 5633	2 8760	3 2251	24
25	1 8539	2 0938	2 3632	2 6658	3 0054	3 3864	25
26	1 9003	2 1566	2 4460	2 7725	3 1407	3 5557	26
27	1 9478	2 2213	2 5316	2 8834	3 2820	3 7335	27
28	1 9965	2 2879	2 6202	2 9987	3 4297	3 9201	28
29	2 0464	2 3566	2 7119	3 1187	3 5840	4 1161	29
30	2 0976	2 4273	2 8068	3 2434	3 7153	4 3219	30
31	2 1500	2 5001	2 9050	3 3731	3 9139	4 5380	31
32	2 2038	2 5751	3 0067	3 5081	4 0900	4 7649	32
33	2 2589	2 6523	3 1119	3 6484	4 2740	5 0032	33
34	2 3153	2 7319	3 2209	3 7943	4 4664	5 2533	34
35	2 3732	2 8135	3 3336	3 9461	4 6673	5 5161	35
36	2 4325	2 8983	3 4503	4 1039	4 8774	5 7918	36
37	2 4933	2 9852	3 5710	4 2681	5 0969	6 0814	37
38	2 5557	3 0748	3 6960	4 4388	5 3262	6 3855	38
39	2 6196	3 1670	3 8254	4 6164	5 5659	6 7048	39
40	2 6851	3 2620	3 9593	4 8010	5 8164	7 0400	40
41	2 7522	3 3599	4 0978	4 9931	6 0781	7 3920	41
42	2 8210	3 4607	4 2413	5 1928	6 3516	7 7617	42
43	2 8915	3 5645	4 3897	5 4005	6 6374	8 1497	43
44	2 9638	3 6715	4 5433	5 6165	6 9361	8 5572	44
45	3 0379	3 7816	4 7024	5 8412	7 2482	8 9850	45
46	3 1139	3 8950	4 8669	6 0748	7 5744	9 4343	46
47	3 1917	4 0110	5 0373	6 3178	7 9153	9 9060	47
48	3 2715	4 1323	5 2136	6 5705	8 2715	10 4013	48
49	3 3533	4 2562	5 3961	6 8333	8 6437	10 9213	49
50	3 4377	4 3839	5 5849	7 1067	9 0326	11 4674	50
51	3 5230	4 5154	5 7803	7 3909	9 4390	12 0407	51
52	3 6111	4 6508	5 9827	7 6865	9 8638	12 6428	52
53	3 7013	4 7904	6 1920	7 9940	10 3077	13 2745	53
54	3 7939	4 9341	6 4088	8 3137	10 7715	13 9387	54
55	3 8887	5 0821	6 6331	8 6463	11 2562	14 6356	55
56	3 9859	5 2353	6 8652	8 9921	11 7672	15 3674	56
57	4 0856	5 3915	7 1055	9 3518	12 2921	16 1357	57
58	4 1877	5 5534	7 3542	9 7259	12 8452	16 9425	58
59	4 2924	5 7200	7 6116	10 1149	13 4233	17 7897	59
60	4 3997	5 8916	7 8780	10 5195	14 0273	18 6792	60

TABLE II.

Years.	2½ per cent.	3 per cent.	3½ per cent.	4 per cent.	4½ per cent.	5 per cent.	Years.
1	1 0000	1 0000	1 0000	1 0000	1 0000	1 0000	1
2	2 0250	2 0300	2 0350	2 0400	2 0450	2 0500	2
3	3 0750	3 0900	3 1062	3 1216	3 1370	3 1525	3
4	4 1525	4 1846	4 2149	4 2465	4 2782	4 3101	4
5	5 2563	5 3091	5 3625	5 4163	5 4707	5 5256	5
6	6 3878	6 4681	6 5502	6 6329	6 7169	6 8019	6
7	7 5475	7 6626	7 7794	7 8983	8 0191	8 1420	7
8	8 7362	8 8924	9 0517	9 2142	9 3800	9 5491	8
9	9 9546	10 1592	10 3685	10 5828	10 8021	11 0266	9
10	11 2035	11 4640	11 7314	12 0061	12 2882	12 5779	10
11	12 4835	12 8079	13 1420	13 4863	13 8412	14 2068	11
12	13 7956	14 1921	14 6019	15 0258	15 4640	15 9171	12
13	15 1405	15 6179	16 1130	16 6268	17 1599	17 7129	13
14	16 5190	17 0864	17 6770	18 2919	18 9321	19 5986	14
15	17 9420	18 5990	19 2957	20 0236	20 7840	21 5785	15
16	19 4803	20 1569	20 9710	21 8245	22 7193	23 6575	16
17	20 8648	21 7617	22 7050	23 6975	24 7417	25 8404	17
18	22 3864	23 4115	24 4997	25 6454	26 8550	28 1324	18
19	23 9461	25 1169	26 3572	27 6712	29 0635	30 5390	19
20	25 5447	26 8705	28 2797	29 7781	31 3714	33 0659	20
21	27 1834	28 6766	30 2694	31 9692	33 7831	35 7192	21
22	28 8629	30 5469	32 3289	34 2479	36 4033	38 5052	22
23	30 5845	32 4529	34 4604	36 6178	38 9469	41 4305	23
24	32 3491	34 4265	36 6665	39 0826	41 6891	44 5020	24
25	34 1578	36 4593	38 9498	41 6459	44 5651	47 7271	25
26	36 0118	38 5531	41 3141	44 3117	47 5705	51 1134	26
27	37 9121	40 7097	43 7590	47 0812	50 7112	54 6691	27
28	39 8599	42 9309	46 2906	49 9675	53 9932	58 4026	28
29	41 8564	45 2189	48 9107	52 9662	57 4229	62 3227	29
30	43 9028	47 5754	51 6226	56 0849	61 0069	66 4388	30
31	46 0003	50 0027	54 4294	59 3283	64 7522	70 7608	31
32	48 1503	52 5027	57 3344	62 7014	68 6661	75 2988	32
33	50 3431	55 0778	60 3411	66 2004	72 7561	80 0638	33
34	52 6129	57 7302	63 4531	69 8578	77 0301	85 0669	34
35	54 9283	60 4621	66 6739	73 6521	81 4964	90 3203	35
36	57 3015	63 2759	70 0075	77 5982	86 1937	95 8362	36
37	59 7340	66 1742	73 4578	81 7021	91 0411	101 6281	37
38	62 2274	69 1595	77 0288	85 9702	96 1379	107 7096	38
39	64 7831	72 2313	80 7248	90 4090	101 4642	114 0950	39
40	67 4028	75 4013	84 5502	95 0254	107 0309	120 7998	40
41	70 0877	78 6633	88 5094	99 8264	112 8464	127 8398	41
42	72 8399	82 0233	92 6072	104 8194	118 9245	135 2318	42
43	75 6609	85 4836	96 8485	110 0122	125 2761	142 9934	43
44	78 5524	89 0485	101 2482	115 4127	131 9139	151 1430	44
45	81 5162	92 7199	105 7815	121 0292	138 8490	159 7002	45
46	84 5541	96 5011	110 4839	126 8703	146 0971	168 6852	46
47	87 6679	100 3966	115 3508	132 9452	153 6722	178 1195	47
48	90 8596	104 408	120 3881	139 2629	161 587	188 0255	48
49	94 1311	108 540	125 6016	145 8345	169 858	198 4267	49
50	97 4844	112 796	130 9977	152 6668	178 502	209 3481	50
51	100 9215	117 180	136 5826	159 7735	187 535	220 9155	51
52	104 444	121 696	142 3630	167 1644	196 974	233 8565	52
53	108 0556	126 342	148 3457	174 8359	206 839	248 4991	53
54	111 7570	131 116	154 5378	182 8150	217 141	264 7741	54
55	115 5509	136 017	160 9466	191 1585	227 917	272 7128	55
56	119 4397	141 049	167 5798	199 851	239 17	287 3484	56
57	123 4257	146 2885	174 4451	208 8973	250 93	302 7158	57
58	127 5113	151 7801	181 6606	218 1492	263 22	318 8816	58
59	131 6999	157 5335	189 2019	227 8752	276 67	335 7942	59
60	135 9915	163 635	196 5169	237 9902	289 49	353 5839	60

INTEREST WARRANT.—This is an order for the payment of interest on debenture stock and similar securities. A dividend warrant is an order for the payment of a shareholder's proportion of the profits of a company.

INTERIM DIVIDEND.—When a dividend is to be paid by a joint stock company, it is declared in the ordinary course at the general meeting of the company, but it very frequently happens that power is given to the directors, in most articles of association, to pay to the members such dividends as appear to them to be justified by the profits which have been earned at times other than after the holding of the general meeting. An interim dividend, then, is one which is paid in the meantime, and which comes forward for confirmation when the general meeting is held.

INTERIM RECEIVER (also see RECEIVER).—An interim receiver in bankruptcy is one who may be appointed to receive and collect assets before a receiving order is made. The official receiver acts in this capacity pending the appointment of the trustee. He may be so appointed by the court, if it is shown to be necessary for the protection of the estate at any time after petition. Application for the appointment of an interim receiver is made either on the application of a creditor or the debtor himself, and must be accompanied by an affidavit. A deposit of £5 is payable on making the application.

INTERLOCUTORY BUSINESS.—This is the name applied to the various proceedings which take place in the conduct of a legal action prior to the actual hearing of the case.

INTERNAL CHECK.—In order that books of account may furnish to the fullest extent the advantages of a system of book-keeping, it is essential that the entries contained therein should form an accurate record, and it is therefore of importance that they should, where possible, be verified by some other means of internal check. To secure this, the accounting organisation should be so designed that every entry is brought under the review of someone other than the person originally responsible for it. This will not only provide a verification, but render fraud, except by collusion, less easily possible.

An adequate system of internal check must be both simple and effective, but the exact nature of the transactions to be recorded, and the number of

the staff by which it is to be operated are factors to be taken into account in considering how the system should be applied, and render it impossible to put out in express terms rules of universal application. The following, however, are some of the important points to be observed, where circumstances permit—

(1) Clerks concerned in the record of transactions should not have control of the accounts.

(2) Where possible, the payment and receipt cash should be placed in different hands.

(3) The petty cash book should be on "imprest" system (*q.v.*)

(4) Cash should be balanced daily, and the ledger account reconciled with the bank pass-book at frequent intervals. A record should be kept of balances and reconciliations.

(5) Payments of accounts owing should be authorised and in regard to invoices for goods, supplied, all particulars of quantity, description, price should be approved, and receipt of the goods duly verified before payment.

(6) Acceptance of orders received should be subject to supervision and goods in fulfilment thereof be delivered only on express instructions.

(7) Allowances for returned goods, claims, overcharges, etc., placed to customers' credit should be approved.

(8) Adequate records of the receipt and delivery of goods should be made, and all receipts deliveries advised to the counting-house daily.

(9) Complete stock accounts should be kept.

(10) The debtors ledger should be bro periodically under the inspection of a manager responsible person, to ensure proper care in collection of amounts outstanding.

(11) Statements of debtors' accounts, and requests for payment of accounts overdue, should be printed out and despatched by someone other than cashier or ledger clerk.

(12) All ledgers should be controlled by administrative accounts, on what is commonly termed "self-balancing" system (*q.v.*)

(13) The arithmetical accuracy of the books should be verified frequently by the checking of all postings and extraction of a trial balance. (See also CHECKING SYSTEM.)

